

FINANCES OF CANADA.



BUDGET SPEECH,

DELIVERED IN THE

HOUSE OF COMMONS OF CANADA, TUESDAY, 9th MARCH, 1880,

—BY—

SIR S. L. TILLEY, MINISTER OF FINANCE.



OTTAWA, CANADA.

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SIR SAMUEL L. TILLEY, in moving the House into Committee of Supply, said :—

MR. SPEAKER, in moving the House into Committee of Ways and Means, I desire to make my financial statement. When I had the honor of addressing this House on the motion to go into Committee of Ways and Means, last Session, I took the liberty of calling attention to the different position I occupied on that occasion to the position I occupied as Finance Minister in 1873. I briefly referred to the fact that in the period mentioned (1873), the country was prosperous, and the Treasury overflowing. Last year, when I made my statement, I had to admit that the Treasury was not overflowing, and the country not so prosperous as we could desire. The Government realized at that time the difficulties experienced in meeting the House under such circumstances. These difficulties were, however, diminished from the fact that the right hon. gentleman who now leads the Government had, when leader of the Opposition, submitted resolutions to the House of Commons propounding a certain policy which was at that time rejected by Parliament, but subsequently affirmed by an overwhelming majority of the people of the Dominion. In dealing, therefore, with the most important subject which could receive consideration—and difficult as it was, we felt we had behind us and in the country a sentiment in favor of the policy that we were about to submit—the difficulty was to prepare that policy, and arrange its details in such a manner as to make it not only acceptable to our supporters in Parliament, but to render it universally acceptable, if possible, to the Do-

minion. We experienced less difficulty than we would have under other circumstances, because all those points had been previously considered and discussed throughout the length and breadth of the country. But, as I have just stated, the difficulty was to harmonize the views and sentiments, not only of our supporters in the House, but of our friends out of the House, so that the proposals in their operation should not bear unfairly or unjustly on any portion of the Dominion. Well, Sir, the Government applied themselves to this task, and we had the satisfaction of feeling, at the close of the Session, that there was a general concurrence of opinion in the House and out of it, that the members of Parliament had redeemed their pledges, that the Liberal-Conservative party had carried out its promises, that the Government had fulfilled its pledges; and there was every reason to expect and hope that the policy was not only acceptable to our supporters, but would prove beneficial to the country. It will be our duty, presently, to consider how far our hopes and expectations in that respect have been realized. But, Sir, our difficulties were not confined to the question of the Tariff; they extended to the question of finance. Why, Sir, it was shown by the statements then submitted to the House in the Public Accounts, that for three or four years there had been a steady decline in the revenue as compared with the expenditure, and that the deficiency had reached for three years preceding, and as we estimated for the fourth year, an average of \$1,750,000. It became necessary, [therefore, for the Government to consider what steps could be best taken while they were carrying out their policy with regard to the advancement of the industries of the country, at the same time to increase the revenues of the Dominion. Our difficulties were not confined to the providing for the deficiencies to which I refer. The Government found that heavy engagements had been made by their predecessors for public works, embracing a great extension of our canal and railway systems. They had entered into engagements for the construction of canals involving an expenditure of millions of dollars, which the present Government were bound to carry out, and to provide the means for. In passing, I may remark, that I recollect perfectly well the time when the Government proposal to construct additional canals was submitted; it was not objected to by hon. gentlemen in the Opposition, because it was found that it was then deemed advisable and necessary that employment should be given to the people, thousands of whom were idle; and it is rather a striking commentary on the present state of affairs, that at the present day you do not hear, notwithstanding we are told that great depression exists, any proposition coming from either side of the House to construct public works, solely or largely, to give employment to unemployed people. But such was the case, and such engagements were entered into. Proposals had been made by our predecessors; contracts had been entered into involving a large expendi-

ture for the extension of the railway towards Nipissing ; for works west of Red river and east of Winnipeg, and for the completion of the Pembina Branch ; and tenders had, moreover, been asked for 120 miles of railway in British Columbia. All these engagements required large sums of money, and added largely to the annual interest ; therefore we had not only to provide for a deficiency of two millions a year, as was then estimated, but we had to look forward to an increased expenditure in the shape of interest on the Public Debt, amounting to from \$400,000 to \$5 0,000 a year. It was under these circumstances that the Government, having to assume heavy engagements, were called upon to give the subject their most careful consideration. Difficult as was our position at that time, the difficulty was increased from the fact that the late Administration had so arranged the expenditure for the Pacific Railway that to make it effective it became necessary that a very expensive link should be completed, in order that we might have the advantage, with the least possible delay, of the money which had already been expended. It became necessary for the Government at once to undertake the work of building 180 miles of railway, to connect the head of Lake Superior with Winnipeg, a most expensive public work ; and it was not only our duty to put it under contract at once, but to stipulate that it should be completed with the least possible delay, in order that the expenditure on the works already carried out should be made effective and beneficial, and that the country might be opened for settlement and development. Well, Sir, what did the Government find in addition to that ? In addition to the providing for the construction of the roads named, it was deemed necessary to add to our expenditure, and with the least possible delay, by providing for the building of 200 or 220 miles west of Winnipeg, in order that, when the road was opened from the head of Lake Superior to Winnipeg, we should have the fertile country west of Winnipeg open for settlement, so that we might have the advantage and benefit of the expenditure so far made. As you will understand, Mr. Speaker, these new works involved a large additional outlay, and I may say we feel that in making it we have acted in accordance with the wishes and opinions of our friends in and out of the House, whose desire, in common with that of the whole people of the country, is that the North-West may be opened up, and that the old portions of the Dominion may derive the benefits, direct and indirect, of its development. Sir, if the Government could have had their own way in the matter, apart from other considerations, they would have desired that the expenditure on public works, chargeable to capital, should not have exceeded five or six millions a year ; but, under the circumstances which I have related, engagements had to be met which will involve, perhaps, the expenditure of twelve millions during the current year, and twelve or thirteen during next year. The House will

understand, under these circumstances, that our difficulties are great, and that they are not diminished by the fact that we have to provide, not only for this large expenditure, and for the deficiency of two millions a year, but for a sum largely in excess of two millions. Sir, if the deficiency in the last year had only been what was estimated, our difficulties would have been less to-day than they are. I desire, Sir, in order that we may understand this matter fully, in order that our position with reference to the expenditure of the current year and of next year may be fully understood, to state that the deficiency of last year, instead of being two millions—when we take into account the fact that under the expected change in the Tariff we received in that year properly belonging to this \$700,000 of Customs more than we would have received had it not been proposed to change the Tariff, and that we also received \$600,000 from Excise for the same reason—would have been \$3,400,000.

MR. MILLS—Hear, hear.

SIR SAMUEL L. TILLEY—A gentleman opposite says "Hear, hear." I may explain upon what basis I make that statement to the House. In the first place, let me call the attention of the House to the estimate submitted by the late Finance Minister as to the receipts and expenditures for 1878-79. The hon. gentleman estimated that the receipts from Customs would be \$13,750,000, and the receipts were \$12,900,659. I stated that experience has shown that \$700,000 of that was received as the result of the large importation of February and March of last year, and properly belongs to this year, and would not have been received had there been no prospective change in the Tariff. The Excise receipts were estimated by the hon. gentleman to be \$5,250,000. They were \$5,390,763. It is now clearly established, Sir, that had there been no proposed change in the Excise duties, \$600,000 less would have been received during that period, and it should be credited to this year. The hon. gentleman estimated the receipts from bill stamps at \$250,000; they were \$188,000. He estimated the receipts from the Post Office Department at \$1,200,000; they were \$1,172,000. He estimated the revenue from Public Works and Canals at \$1,900,000; it was \$1,863,149. The interest on investments he estimated at \$800,000; the receipts were \$592,800. The receipts from all other sources he estimated at \$700,000; they were \$412,700. The estimates as a whole amounted to \$23,850,000; the receipts were \$22,517,380. Deduct from that the \$1,300,000 on imports and Excise, which would not have been received had there been no prospective change in the Tariff, and the receipts would have been \$21,217,380. Now, then, in reference to the expenditure. The estimated expenditure was \$22,669,073; the actual expenditure reached

\$24,455,381. Of this expenditure, I may say that there was an under-estimate for interest of \$285,891. This is, of course, a charge provided for by law, but the payments under this head were \$285,891 in excess of the estimate. There were also the following under-estimates:—Charges of management to the extent of \$92,180; on sinking fund, \$146,992; on election expenses, \$92,757; on pensions, \$5,323; on superannuation, \$3,521; on subsidies, \$21,901; and the Supplementary Estimates, \$627,000. I do not know that the hon. member desires me to give the details of the increased interest, but I hold a statement of it in my hand, showing it to amount to \$285,000. But I may say here that, while the expenditure reached, as I stated, \$24,445,381, the lapsed balances, as will be seen by the statement laid on the Table of the House at the request of hon. gentlemen opposite, amount to about \$700,000. Had the \$742,938 of lapsed balances been expended by the present Administration, the deficiency would have been \$4,161,866. But I do not purpose, Sir, to charge hon. gentlemen opposite with the amount unexpended, because we know that there are always lapsed balances.

MR. ANGLIN—Hear, hear.

SIR SAMUEL L. TILLEY—The hon. member for Gloucester says "Hear, hear." It is quite clear, Sir, that the deficiency, if it had not been for the \$1,300,000 that was received as a result of the changes in the Tariff, and the largely increased revenues in the Customs and Excise, during January and February, would have been \$3,482,917. But, Sir, it will be quite readily understood, I think, that, under these circumstances, while we were basing our calculation for the future upon a deficiency of \$2,000,000, we practically had to deal with a deficiency of over three millions of dollars, and it will not be surprising if our previous expectations with reference to the balances of the current year are not entirely realised. Sir, it means not only an increased expenditure for the current year of over a million on this basis, but it means an increased expenditure of a million a year for future years. We must necessarily see, in making our calculations for the future, whether we can possibly, with the greatest economy, make the two ends meet. There may be some criticism with reference to the expenditure for which Supplementary Estimates were asked last year. I have gone into the different items of which they were formed, and I find that they contained items amounting to about \$100,000 in all, for which the present Government are responsible. I know hon. gentlemen opposite may say, "You asked in that vote for an additional sum for railways." We know, Sir, that the expenditure for the Intercolonial Railway for that year exceeded very largely the estimate by our hon. friends opposite; but, Sir, that additional expenditure cannot be charged upon the present Administration. The

deficiency on that public work reached \$700,000 during last year. The deficiency during the first six months amounted to \$380,000; so that the deficiency during the first six months of the year, for which hon. gentlemen opposite were mainly responsible, and during the other six months, for which they were partially responsible, was in the main the result of their administration. Therefore, if we examine this matter with the view of ascertaining how far we were right or wrong in regard to this proposition, it will be seen, I think, very clearly, that the expenditure, at all events, for which our hon. friends opposite were responsible, would have left a deficiency of at least three millions, instead of two, during that year. I now come to the consideration of the expenditure for the present year. I have prepared a revised statement of the revenue and expenditure, having regard to the experience we have had down to the present time. I estimated, last year, that we would probably receive during the present year from Customs \$14,500,000, exclusive of, as I stated then, an estimate of \$500,000, which was collected in February and March, and which fairly and legitimately belongs to the present year, but which at the close of the year was found to amount to \$700,000 instead of \$500,000. I now am firm, Sir, in the opinion that, apart from that money collected last year that belongs to this year, the receipts from Customs will be, as estimated, \$14,500,000 for this year. It has been said that the revenue up to the of 1st January does not warrant such a conclusion, but, if we will examine the amount received from Customs up to that period, and add to it even \$500,000, our original estimate, we shall find that it is very nearly half the \$14,500,000 estimated for the whole year, and, when we take into consideration that we have probably consumed, or that there have been thrown upon the market the goods that paid the duty last year and belonging to this, we may fairly expect during the last six months of the present year to realise a sum equal to that received during the first six months, \$7,250,000. I may also state from the returns made up every ten days, that we received during January and February and the first five days of this month, \$450,000 more than we received during the same period in 1878. This, Sir, goes to show very clearly that we have consumed the goods that were brought in last year, and that we shall, during the balance of this fiscal year, have increased revenues to an amount sufficient to meet the sum estimated by the Government. The estimate we now make for Excise, based upon experience to the present time, is \$450,000, to which is to be added \$600,000 that we received in last year, but which properly belongs to this, and we have \$1,100,000. This is not as large as the amount estimated this day twelve months. I recollect perfectly well that hon. gentlemen opposite took exception to my estimate, that we would receive from the additional 10c. per gallon on spirits \$100,000. That is the only item in

the revenue that shows a falling off down to the present time. It may be that the hon. gentleman was correct as to the causes which have led to that reduction, but I am disposed to take a different view, and have arrived at the conclusion, Sir, that it is caused by a decreased consumption of spirits, whether it may be from the increased duty, or from the fact that the habits of the people have changed with reference to the use of this article; but, under any circumstances, I believe that it will be considered by a very large proportion of the people that, if, by an increase of the duty, the consumption has been diminished, the change was justified; this is the item of all others in which they would desire to see a reduction, and one the falling off in which will not cause much regret. It was estimated that the Post Office would yield \$1,200,000, and we entertain that opinion still. In the Public Works it will be found that we estimate an increase of \$50,000 over the estimate of a year ago. That arises from the fact of our taking possession of the Pembina branch of the Pacific Railway. It will be found from the Estimates now before the House, that we have asked Parliament for \$50,000 for the management of that road. But, while we have increased the expenditure to that extent, our increased revenue will be in proportion. With reference to bill stamps, our estimate is \$200,000. On interest on investments it will be found that there is an increase arising in this way: From the loan which was obtained in England last year, and from the monies which were subsequently obtained from 5 per cents. of the Dominion of Canada, we had more money than was required for the current year, and held over at the present moment for the payment of liabilities due on the 1st of July next, and bearing interest; and, therefore, the interest we are receiving on that money, so held, will probably amount to \$200,000—though I have stated the amount at only \$150,000—over and above what was estimated. So that while the interest account on the debit side has increased, we have also an additional sum to place to the credit side of the account. Of all other revenues, it was estimated that they would amount to \$700,000, and, from looking at the returns of last year and the returns so far in the present year, I think it is very probable that that item will not exceed \$600,000, making the estimated receipts for the current year \$24,450,000, against a previous estimate of \$24,200,000. We now come to the estimated expenditure. It was stated last year that it would reach \$23,869,262. The Supplementary Estimates show that, after deducting the vote for items belonging to last year, after deducting the items chargeable to capital, the Supplementary Estimates for the current year, chargeable to income, amount to \$858,922. They are made up in part by \$100,000 for the relief of the sufferers in Ireland; \$201,000 for the relief of the Indians, who were in a starving condition; \$97,500 expenditure on public buildings in St. John

more than was voted by the House ; \$50,000 for the running expenses of the Pacific Railway ; \$42,000 for repairs to canals and other items, making in all \$858,922. Then, Sir, we come to the under-estimates in interest. I have to call attention to the fact that the probabilities are that the interest account of this year will exceed the estimate by \$660,000. This increase was caused in this way : I stated a few moments ago that the under-estimate of 1878 for interest was \$285,891, and the basing of the estimate of the current year upon the estimated amount of interest for last year led to an error to that extent in the estimate for the current year. The error of the last year occurred in the following way : the late Government probably estimated on a loan of £2,500,000 instead of £3,000,000, which would make a large difference. The 6 per cent. stocks that matured last year and were payable by the Government on six months' notice, were probably estimated by my predecessor at 5 per cent., and as notice was not given, the result was that those securities paying 6 per cent. were only redeemed in December or January last, and this made a difference of \$40,452. The sale of 5 per cent. stocks was estimated below what was sold during the year ; and then there was paid to our financial agents in London, \$24,233 ; to Morton, Rose & Company for interest on temporary loans made by my predecessor, amounting to £500,000, the sum of \$17,893 ; and to the Bank of Montreal for temporary loans on general account (which contained a loan of £500,000), \$64,472 ; interest on seigniorial indemnity, \$25,193 ; a difference in the amount of the estimate of deposits in the Savings Bank during the year of \$7,532.47, making altogether \$288,891.87 of an under-estimate. As our estimate of this year on interest account was based on that estimate, we had as the result a large under-estimate under this head of \$280,000 and odd dollars. Then, Sir, during last year a new loan was necessary. There were 6 per cent. debentures for £100,000 sterling, falling due in England on the 1st January—£600,000 in addition to these falling due on the 1st July next. There were also the \$4,000,000 of 6 per cent. securities falling due in Canada, of which the Government gave notice in May last that they would, at the expiration of six months either pay them, or substitute 5 per cent. securities for them. The expenditure on Capital Account of the present year must amount to something like \$10,000,000. It was therefore decided that a loan should be negotiated, not only for the purpose of the payment of the 6 per cent. liabilities falling due in England, but that we should also be in a position, in the event of the parties holding the securities in Canada, asking for money, instead of their accepting 5 per cents. in lieu thereof. A loan of £3,000,000 was therefore placed on the market, though the money was not immediately required, as the time was considered a favourable one. This left the Government with a large amount of money for the time being, a con-

siderable portion of which is now deposited in the banks of the Dominion, bearing from $3\frac{1}{2}$ to 5 per cent. interest. So we have an offset of \$250,000 on the credit side to meet additional charges for interest. This swells up the interest account \$250,000 above the Estimates. The whole expenditure estimated for the current year, from the Estimates now on the table of the House, is \$25,478,000. The expenditure on the Interoceclonial Railway will, however, be \$300,000 less than the estimates, the fact being that, during the first six months of the last year there was a deficiency of \$380,000, and the returns show that for the first six months of the current year the deficiency is about \$34,000. Under these circumstances, we are prepared to state that the expenditure will be reduced for the maintenance of Public Works \$300,000 less than the estimate, and that the lapsed balances, which are generally large, may be fairly estimated at \$200,000, making a deduction of \$500,000, leaving the estimated expenditure of the current year at \$24,978,000, against the first estimate of \$24,450,000, or \$500,000 of an estimated deficiency. Now, when it is considered that the deficiency of last year, had it not been for the exceptional circumstances I have named, would have been over \$3,000,000, and we are enabled to show in the present year a deficiency of but \$500,000, or thereabouts, I think that, under those circumstances, and in view of the fact that, if our predecessors had estimated correctly the interest for the previous years, the result would have been that our Estimates would have been very nearly realised, we can justly claim that, in the first year of our Administration, our income and expenditure are not far from being balanced. I will now call the attention of the House to the estimated income and expenditure of next year. It will be seen by the Estimates of next year that the expenditure is placed at \$25,007,203. The estimate is as follows:—Customs, \$15,300,000. On looking into this matter very carefully, it is considered by the Government that, in view of the increased prosperity in the country, in view of the increased prices of articles to be imported, the Tariff as amended, will produce an increased revenue of \$600,000. We expect to receive from Excise \$5,213,000. In referring to the resolutions I am about to submit to the House with reference to Customs, it will be found that upon careful consideration we cannot count on any increased revenue as the result of the proposals to be submitted. I will leave that question until I read them in detail, when hon. members will be able to judge for themselves. In reference to Excise, a proposition will be made to the House that will probably add \$200,000 to the income from that source. It is proposed to grant licenses to manufacture Canadian leaf tobacco, and that an Excise duty of 14c. instead of 20c. per pound will be imposed. With reference to Public Works, including railways and canals, it is estimated

that we will receive \$2,286,000 during next year. The Estimates contain an additional appropriation for railways not beyond what was asked for during the present year, it is \$160,000 less ; but there is \$200,000 required for working the Pacific Railway, and the Minister of Railways assures us, and the evidence to which I have referred warrants him in making that statement, that during the next year the income from these public works will be equal to the expenditure, and it will be found that in the estimated income we placed a sum equal to the estimated expenditure. Bill Stamps will bring \$208,000 ; interest on investments \$600,000 ; and Post Office \$1,210,600. I will observe here that the estimated interest on investments—\$600,000—is \$250,000 less than estimated for the present year, for the reason stated, that the sum of money that have been loaned and are now at interest, will be used in paying off certain liabilities, and the result will be that our income from investments will be \$250,000 less next year than during the present year. From other revenues we expect \$700,000, making an estimated revenue or income for next year of \$25,517,000. If our expectations are realized in this matter, it will appear, Sir, that our pledges will have been redeemed, and the equilibrium between revenue and expenditure will have been restored, and there is a very good margin, indeed, which justifies us in arriving at the conclusion that such will be the case. I take this opportunity of making the statement that we expect to provide for the expenditure on Capital during the next year partly by the balances we now have on hand. As shown by the return made to the House, out of the thirteen millions four millions have to be paid for the redemption of debentures on the 1st July next. Five or six millions will therefore be available for expenditure under the heading of Capital Account during the next year, leaving over three millions as a reserve ; and the Government propose to submit for the consideration of the House a proposition to extend the authority already given with reference to the issue of Dominion notes. The Government propose to ask that the amount now fixed, beyond which a note cannot be issued, unless we hold dollar for dollar in gold, shall be extended from twelve millions to twenty millions of dollars, and the Government will place whatever proportion of that twenty millions they may find it in the interest of the country, in circulation. Twenty-five per cent. of the circulation will be held in gold and guaranteed Dominion securities, not less than 15 per cent. to be in gold. That will be the proposition that the Government will ask the House to support. That will enable us, with the amount of gold that will be released and three or four millions additional circulation added to the five or six millions we have now on hand, to dispense with any necessity to go into the English market to provide money for next year's expenditure. We will be able to secure whatever the deficiency may be from the capitalists of the Dominion, at such a rate as will

be satisfactory to the country. These are briefly the propositions that we submit with reference to income and expenditure during the periods to which I have referred. If there are any further details I will not detain the House now to go into them, but will take an opportunity to do so later on. I desire to trespass on the attention of the House for a short time in dealing with the objections that were made last Session, and may be made again with reference to our Tariff policy. I ventured, when submitting that policy, to remark that the resolutions were not aimed specially at any particular country; still, as British subjects, owing allegiance as we do to the great Empire of which we form a part, it was designed in the preparation of our Tariff that if we favored one country more than another, it would be Great Britain. I recollect, and the House will recollect, the objections that were made by hon. gentlemen opposite, and the effort that was made to prove that the Tariff then submitted would operate more injuriously and affect more especially the manufactures of Great Britain than those of the United States.

SIR RICHARD J. CARTWRIGHT—Hear, hear.

SIR SAMUEL L. TILLEY—Do I hear the hon. gentleman opposite say “hear, hear?” Then, Sir, we will have an opportunity of discussing this matter fully. Some gentlemen, out of Parliament, and through the press, have made various statements upon this matter, but here on the floor of Parliament, where we can bring up facts on both sides, we can arrive at a just and accurate conclusion on the subject; and while we could only speculate last Session with reference to these effects, time has shown, and the evidence lies upon the table of this House, that instead of its operating to the disadvantage of British manufacturers, as compared with those of the United States, it has borne less heavily and affected them less than the manufacturers of the neighboring Republic. I have made an abstract from the comparative statement of the Trade Returns for six months. The return submitted to the House represents the imports of the last six months, that is, from July to January, in the present fiscal year, compared with the first six months of the last fiscal year; and it is from these returns that we are able to draw some conclusions, and, I trust, accurate conclusions, with reference to the effect of this Tariff. These returns show that the importations of iron and steel manufactures from Great Britain, in 1878, under the head of “free goods,” amounted to \$961,672. Under the head of “free goods,” this year, they amounted to \$1,599,182. Under the head of dutiable, last year, the imports amounted to \$1,491,867, and this year to \$1,688,614. The dutiable goods bearing an average duty of $17\frac{1}{2}$ per cent., there was a large increase, an increase of \$800 in the imports from Great Britain under that head (Steel and Iron) in the first six months, and in 1878 the imports from

the United States under the free list was \$148,874, and in 1879, \$169,913. Under the heading of dutiable goods, last year, they were \$1,725,000, against \$1,288,000 in the present year, showing an increase in one case of \$21,000, and a falling off in the other of \$500,000. Under the heading of cotton goods, as shown by the return, in 1878 the imports from Great Britain amounted to \$1,824,921, in 1879 to \$2,089,812. From the United States, in 1878, for the six months, the imports were \$1,126,000; in 1879, \$745,000. This shows a large increase in the imports from Great Britain, and a falling off of nearly \$400,000 from the United States. In glassware the imports from Great Britain were, in 1878, \$76,246, and for 1879, \$95,440; from the United States, \$215,000 in 1878, and \$180,000 in 1879. Leather manufactures from Great Britain in 1878, \$187,000; 1879, \$227,000. From the United States, in 1878, \$332,735; in 1879, \$225,808. Under the head of sugars, the imports from Great Britain in 1878 amounted to 19,173,000 lbs.; in 1879, 9,964,000 lbs., a falling off of one-half. From the United States, in 1878, the imports were 38,000,000 lbs.; and in 1879, 11,500,000 lbs. From the West Indies, in 1878, 4,728,000 lbs.; in 1879, 37,800,000 lbs. The imports of tea from Great Britain, in 1878, were 2,056,000 lbs.; in 1879, 3,201,000 lbs. From the United States, in 1878, 3,516,000 lbs.; in 1879, 1,400,000 lbs. From China and Japan, in 1878, 575,000 lbs.; in 1879, 1,515,959 lbs. Wood manufactures, such as cabinetware, from Great Britain, in 1878, to the value of \$5,700; in 1879, \$3,258. From the United States, in 1878, first six months, \$154,000; same period in 1879, \$46,800. Other woodenware—Great Britain, 1878, \$5,000; in 1879, \$20,000. From the United States, in 1878, \$201,000; in 1879, \$199,000. Experience during the first six months with respect to the imports from these two countries shows this: that the falling off in the value of imports from Great Britain in free and dutiable goods amounts to 7 per cent., while the decrease from the United States was 33 per cent. Then it was asserted that the Tariff would act unfairly on the English manufacturers, and subject them to a large proportion of the increased percentage. By referring to the tables it will be found that the increased rate of duty upon free and dutiable goods, imported from Great Britain during the six months of the present year, was 19.43 per cent., against 19.9 under the old Tariff of 1878; and that the percentage from the United States, omitting as is proper, from the consideration of this question, the foreign goods that were imported but were also exported, but were entered last year for consumption, because there were no duties imposed on them, the percentage of increase has risen from 12 per cent. in 1878 to 15.3 per cent. this year. In the one case there is but an increase of $\frac{1}{4}$ per cent., while in the other there is an increase of 3 per cent. on the average duty

collected on those goods. I know hon. gentlemen will very naturally ask how it can be possible that with the increased duties imposed upon British goods the rate of duty has only been increased $\frac{1}{4}$ per cent., but we must take into account the fact that the sugar that was imported last year was double that imported this year, and paid 42 per cent. What I say with respect to English imports has double effect when applied to the United States, because we imported from them under the same rate of duty double the amount of sugar we imported from Great Britain, and if we had imported the same quantity in this year it would have given the increase in the same ratio, and have made the difference 4 per cent. instead of 3. These facts go to show that, while the object, design, and intention of the Government was not to legislate directly against any particular country, but in favour of Canadian interests, the effect of the Tariff has been to diminish less the importations from Great Britain than from the United States. The next objection to the Tariff was that it would increase the cost of goods and give us no revenue. The hon. gentleman opposite (Sir Richard J. Cartwright), speaking on this point, said that, if the policy of the Government succeeded, if an additional impetus were given to the industries of the country, the Tariff would not produce the revenue that was proposed, and he was good enough to venture the statement on that occasion that the effect of the Tariff would be to increase the cost of goods to the consumers by six or seven or eight million dollars. You see, Mr. Speaker, that he left something of a margin, but what the effect has been is quite clear. The returns show that the increase of the Tariff upon imports has been $4\frac{1}{4}$ per cent. more than it was before. We had a revenue of twelve millions from imports, and if you add one quarter additional to that you do not get six, seven or eight millions, scarcely the half of it. But the statement was made that the Tariff would enrich the manufacturers and impoverish the masses. On the other hand, the hon. gentleman opposite said, in order that he might be safe in his predictions, whatever might be the circumstances, that by-and-bye the manufacturers themselves would be impoverished, and that the whole country would be in a worse position than ever before. An hon. gentleman opposite, anticipating the discussion of this question, said the other day, and I think it was the leader of the Opposition, that half the manufacturers of Canada are dissatisfied with the Tariff.

MR. MACKENZIE : Hear, hear.

SIR SAMUEL L. TILLEY : Well, I have not seen half the manufacturers of Canada, but I have seen a great many of them. Knowing what would be said on the floor of the House, judging from what had been said in the past, I felt it my duty to ascertain from personal observations, as far as our manufacturing industries were concerned, what the effect of the Tariff

had really been ; and in my intercourse with the manufacturers, I will not say that there were no objections made to the operations of the Tariff. Were I to say so, I would be stating what is not true ; but what I do assert is that, on the whole, the manufacturers express themselves satisfied with the Tariff, and if I had not found some objections to some of its provisions, I would have concluded that it had been framed too much in their interests, so that the very fact that they objected to some clauses led me to the conclusion that, on the whole, though there might be some slight amendments to the Tariff necessary, we were accomplishing the objects we had in view. Sir, as the discussion proceeds on the different items—because we will have as free and as full a discussion as we had last year—we will be in a position to examine into the operation of the various clauses of the Tariff, and more intelligently than last year, because we have had the experience of some months of its working. I have known that where railways have been constructed there have been particular localities which, from exceptional causes, have been injured ; and so I am prepared to hear that hon. gentlemen opposite have found some point with reference to the working of the Tariff that will be a parallel to such cases as I have referred to ; but who on that account would abolish our railway system ? I am satisfied, from my own observations and from what I know in the matter, that the result of the Tariff has been such that there will be no declaration of this House, or on the part of the country, in favour of a change in the general policy of the Government. Sir, we will no doubt have it said by the gentlemen of the Opposition that the increased cost of certain articles has been caused by the increase of the duties, but I have here evidence to show, with reference to the leading manufacturing interests of the country, that, beyond the increase in the cost of the raw material to the manufacturer, the people pay nothing more under this Tariff than they would have done under the old. I believe, Sir, that that can be established beyond a doubt, and, under the circumstances, I look forward to the discussion on this subject, not with any dread, but with a degree of satisfaction, feeling that the facts we can present will be most satisfactory to the country and to the friends of the National Policy. It was also said by gentlemen opposite that this policy would create an unfriendly feeling in England towards Canada. It is true, Sir, that when we were there last summer, mingling with men in the manufacturing districts, we found expressions of disapproval with reference to our policy. It was to be expected, because, owing to the position and the circumstances of that great nation, it has been led to adopt a different policy. Looking at us from their standpoint, the manufacturers there believe that our policy is unwise and injudicious ; but have we had any evidence, has anything recently transpired to show that the attachment of the people of England and their regard for Canada and Canadians has been

diminished by the enactment of this Tariff? Has there ever been in the history of this country a period when Canada has been looked to with greater interest by the people of Great Britain and Ireland than at this very moment? I think a distinguished member of the British Government can claim some acknowledgments from this country for the course he has taken in calling the attention of the people of Great Britain to Canada. We on our part have shown by the liberal vote given so recently by this House, that we are not only in a position to give employment and comfortable homesteads to the thousands and tens of thousands of working men who cannot find work over the water, but that we are prepared to extend to them a helping hand in the hour of their adversity. Sir, I think, if at any period Canada stood well on the other side of the Atlantic, that period is to-day. But, Sir, the statement was made that the course we have taken would affect our credit in England. What evidence have we that it has affected our credit except favourably? When it became my duty to visit England last summer, and to ask the capitalists of that country to take another three millions of our 4 per cent. unguaranteed securities, there were paragraphs in the papers, which may have originated with speculators and not with our political opponents, decrying this loan; and when the time for the reception of the tenders came, there were very grave doubts expressed with reference to the chances of obtaining the minimum that was named, because it was 4 per cent. higher than had ever been named by any Finance Minister before. And yet, Sir, in the face of this alleged damaged credit, we obtained for that loan \$700,000 more than my hon. friend opposite obtained for his loan of the same kind in 1874. We obtained, if I take the books of the Dominion of Canada to show the net results from the different loans, \$600,000 more than my hon. friend obtained for his loan in 1876. My hon. friend may rise in his place and say, as he said in the west, that Mr. Tilley was in England at a most favourable time; money never was so low; money never was so cheap; that I was the most fortunate man in the world. Well, Sir, I admit that, to a great extent, to be true; but I recollect perfectly well that my hon. friend opposite, last Session—not in the fair manner that, I think, he ought to have acted—referred to the loan I negotiated in December, and in his attempt to show that the unguaranteed portion of that loan only brought 86 per cent., he based his argument on the statement that Sir John Rose floated a guaranteed loan that brought 110 per cent., and the 5 per cent. portion of which brought but 90 per cent.; and the hon. gentleman made that statement for the purpose of showing, though his comparison was an incorrect one, that I had obtained only 86 per cent. Then the hon. gentleman followed his statement up by saying that in the *Economist* published a few weeks previous to the date, of which he was speaking, he found our securities quoted at 92½ or 92¼.

while New South Wales 4 per cents. netted 99 $\frac{2}{3}$; and the hon. gentleman was kind enough to say that he had the *Economist* in his desk, and would hand it to me if I wished. Now, Sir, I have in my desk the *Economist* of the 24th February, and will let the hon. gentleman have the use of it; and what does it show? Not that the exceptional circumstances referred to produced such favorable results. According to his own statement, the difference between our securities and those of New South Wales was 7 per cent. The last quotations, those in the *Economist* of the 24th of February, quote the Dominion of Canada 4 per cent. securities at 96 $\frac{1}{2}$ to 97, while those of New South Wales were 98 $\frac{1}{2}$, whereas a year ago there was, according to the hon. gentleman, a difference of 7 per cent.; that difference is now reduced to 2 per cent. Sir, when we consider the relative position of the securities of Canada to-day, compared with those of New South Wales, which stands ahead of every other British Colony, we find that there has been an advance of 4 $\frac{1}{2}$ to 5 per cent. in the value of our bonds, compared with those of the Colony referred to, which proves that the policy of the Government of the Dominion has certainly not damaged our credit abroad. Sir, there was another statement made, and I hold that it was one of the gravest and most serious statements made during last Session with reference to this Tariff—and what was that statement, Sir? It was that this Tariff was framed in such a way that it would bear more heavily upon certain provinces of this Dominion than upon other provinces, that it would affect certain provinces unfavorably, and would lead to the breaking up of this great Confederation. Sir, my own Province was singled out as the Province of all the provinces that was to suffer by the policy of the Government. Sir, I have endeavored, during the time I have been a member of this House and of the Government, to refer as little as possible to provincial questions or matters of purely local consideration. But when, Sir, that idea has been persistently propagated, when the Opposition have unremittingly endeavored, by their declarations with reference to the effect of that policy, to create dissatisfaction in the Provinces of the Dominion, when for the purpose of striking a blow at the Minister of Finance, they have sought to damage the credit, reputation and standing of the people of that Province, I feel that I am justified, independent of local considerations, to make some reference to the bearing of this Tariff and its effect upon New Brunswick. Sir, that Province has passed through great trials and great difficulties. Two-thirds of the commercial centre of that Province was destroyed by fire two years ago. Some fifteen or sixteen millions of dollars' worth of property, over and above what was insured, was swept away in a night. The lumbering interest of that Province for two or three years has been very much depressed, and the shipping interest has not been remunerative as it was in days past. The partial

failure of these two industries, in which a large portion of the people of that Province are engaged, in which their capital is largely embarked, together with the great disaster to which I have referred, deranged the business and trade of the Province; and a good deal of depression, a good deal of suffering, has followed in its wake. It has been attempted to be shown that the bankruptcies of that Province have exceeded those of any other province, and I was surprised to find the attempt made to attribute these bankruptcies to the operation of this Tariff. I will say here, and I think, without fear of contradiction, that there are not more than two cities in the Dominion, taking into consideration population and the amount of business done, that have had fewer failures and fewer bankruptcies than the city of St. John. The hon. member for Gloucester (Mr. Anglin) rose the other night in anticipation of this discussion, and, in speaking of the condition of St. John, he made a statement which was true, but of a misleading character. He said that in 1877 there were more men employed in the city of St. John than there are to-day; that they were receiving larger wages then than they are to-day. Now, I agree with the hon. gentleman that it is the fact, but he should have gone on to say that the great fire took place in 1877, that two-thirds of the city was destroyed, that thousands of mechanics and laborers came to that city to secure employment in the work of restoration, and that increased wages was the result to the labourer and mechanic alike; and now, when the city has been rebuilt, is it to be wondered at that thousands who came into the city to rebuild it are leaving it, that wages are not so high as then, that there are not so many men engaged in the manufacture of doors and sashes and bricks, that there are not so many foundrymen at work as there were then? I say, is it surprising that such is the case? The hon. gentleman stated the facts truly, but his conclusions were entirely erroneous, because he had endeavored to impress on the House and the country that the effect of the National Policy had been to bring wages down to their present rates. Let me further say with reference to the city of St. John and the Province of New Brunswick,—the leader of the Opposition, the other day, and I can understand his object, said there was but little probability of manufacturing industries springing up in that Province, and of St. John becoming a manufacturing centre; and he said that he always expected that in Nova Scotia, where they had coal and iron, they would be able to have large manufacturing industries, but what could New Brunswick expect? I assert that there is no portion of the Dominion of Canada which, in proportion to its population, has as large a number of its inhabitants engaged in manufactures as has the city of St. John. Manufacturing enterprises have been going on in that Province for a quarter of a century, increasing year by year, and extending, so that down to 1874,

when these enterprises were at their height, 8,000 people in that city alone were employed in manufacturing industries. The hon. gentleman said he was not surprised that I should have been met with such limited cordiality when recently visiting that city, but 47 at the dinner given me. Was it limited? We had two dinners there on that occasion — the hotels we have there at present are not large enough to give dinners to two hundred people at once. And I venture to say, further, that we had as many at the two dinners as the hon. gentleman had when he visited St. John as Premier of Canada. Let me give additional evidence of the ability of the people of that Province to carry on successfully manufacturing industries. I may tell this House that nearly every contract let since the new Tariff came into operation, for the construction of locomotives, snow-ploughs, cars, and turn-tables for the Intercolonial and Pacific Railways has gone, with the exception of three locomotives and two cars, to the Province of New Brunswick, and on lowest tender. When I state further, that though the sash and door manufacturers and carriage makers are not doing what they did in 1874, boot and shoe manufactories are in successful operation; machinists are freely employed; the cotton manufactory there has doubled its capacity within the last six months, and is preparing to quadruple it. And since this policy was adopted by the House of Commons a lock and brass factory has been started in Moncton, with a subscribed capital of \$200,000, of which \$66,000 has been paid up; that arrangements are being made for the establishment of a sugar refinery in the same place, the necessary capital having been subscribed; that recently the inhabitants of the town of St. Stephens were called together to consider the propriety of establishing a cotton factory there—they having sent to the United States for experts to select a site—that a site has been selected, that stock is being subscribed, that American capitalists are willing to build it and put it in operation, if their taxes are remitted for twenty years, that the expenditure involved in such an enterprise will be between \$300,000 and \$400,000; that a company with a capital of \$60,000 is being formed for the manufacture of nuts and bolts, and that various other interests of that kind have grown up in that Province within the past six months, the whole requiring altogether a capital of \$1,000,000—when I mention all these things, I ask whether, under those circumstances, Ontario or Quebec has exhibited a greater spirit of enterprise than has the Province of New Brunswick, bearing in mind, at the same time, that in proportion to population, our one million of capital is equivalent to six millions in the Province of Ontario, or four and a-half millions in the Province of Quebec. Sir, a characteristic scene took place since I came into this House this afternoon. I heard of a petition being circulated in St. John, asking that certain amend-

ments be made to the Customs Tariff, and if I heard correctly the late Minister of Customs presented such a petition this afternoon. If the object of this petition was to influence the Government when making their changes in the Tariff—considering that it has been in circulation for a month among those who do not agree with us politically—why was it left until just before I rose to make the Budget Speech? I say, Sir, that this petition was said in St. John to be a piece of political clap-trap, and it has proved itself to be so. It has been said that the imposition of a duty on corn and cornmeal is unpopular, and I know that duty is unpopular in Nova Scotia and New Brunswick.

MR. MACKENZIE: And in Ontario, too.

SIR S. L. TILLEY: And if we were legislating here solely for these Provinces we would not have asked for its imposition, but it was part and parcel of our policy; and what is the fact? It will be seen by a return on the Table of the House that the duty collected on corn and cornmeal in the Provinces of Nova Scotia and New Brunswick has been nearly or quite met by the reduction of the duty on molasses consumed during the same period. It will be found that though in New Brunswick we consumed 55,000 gallons more than for the corresponding six months, the duty collected is something like \$9,000 or \$10,000 less; in other words, the reduction of duty on tea and molasses will balance what is paid by the Provinces of New Brunswick and Nova Scotia on corn and cornmeal. Still not a word is said on this point by hon. gentlemen opposite, their object being to alarm people as to the effect the Tariff is having on particular industries in these Provinces. Then we come to the duty on flour, and I have heard it stated that this is an Ontario Tariff. It will be found by the returns on the Table that during the last six months New Brunswick and Nova Scotia have not paid one dollar more on coal and flour than has Ontario, in proportion to population. We may expect objections to provisions in this Tariff, but on looking at its operation throughout, it is a marvel to me how we could have framed a Tariff that bears so equally on all portions of the Dominion. I am quite prepared in the discussion of this subject to have hon. gentlemen opposite differ with me on this point, but let us go to the returns and form a judgment from the facts submitted to the House. It is said the greatest enemy of truth is prejudice, and its greatest friend time. Time is solving this question with reference to the Tariff. The main discussion on the Tariff will be this Session. The result of another year's experience will be such that our friends opposite will be then veering their course for a moderate protective policy, in order that they may meet the desires of the country. It is said this policy has damaged the country generally.

MR. MACKENZIE : Hear, hear.

SIR SAMUEL L. TILLEY : The hon. gentleman says "Hear, hear." Well, the hon. gentleman and his organ for five months after the passage of this Act, endeavored to show that the country was poorer than it ever was before. For the five months subsequently, the Opposition organs endeavored to show, when the prosperity of the country was so apparent that it could not be gainsaid, that it was not the result of the National Policy. Dun, Wiman and Company published a statement showing that the bankruptcies in Canada had been greater last year than ever before. Then the cry was again raised that the country was going to ruin. Here was something to build an argument on. It was amusing to read the varied statements made from time to time with reference to the Tariff. I will give you a sample. In one of the leading papers, which hazarded the statement that this policy was enriching the manufacturers at the expense of the masses, appeared a quotation of the price of rubber overshoes, to show how the prices had been increased and the manufacturer enriched ; and yet the same paper in the same issue called attention to the fact that 2,000 pieces of Canadian woollens had been bought the day before at 30 per cent. less than any price ever before known in the history of Canada. Such is the inconsistent line taken by the Opposition. As to bankruptcies, it was stated in the House the other night that these increased bankruptcies were the result, to a great extent, of the general impression on the part of the people that the law would be repealed. The result of that impression was that the man who had been struggling along with his head just above water, took advantage of the law. On seeing the prospect of improved times, they came to the determination to obtain relief from these liabilities and start anew on the flood tide of prosperity. In the United States, in 1878, the same fact was noticed. Just at the commencement of prosperous times there were more bankruptcies than during the previous years. It is to be deplored that our magnificent country, with its grand prospects, should be decried, and its credit damaged for party purposes. The hon. leader of the Opposition stated that, if it had not been for the good crop last season, the country would be in a worse position than it ever was before—is it not in a better position than it was a year ago ? Can you look anywhere throughout the length and breadth of the Dominion and say it is not so ? Take the importers who, from their position, would naturally have less sympathy with this policy, and with this Tariff, than those who are more directly benefitted by it, and you will find, universally, both in wholesale and retail lines, that in the last six months the general trade of the country has been largely improved and increased. If you go to the farmer, you will find that he

recognizes the improvement in prices for the articles he has for export, or for home consumption in the home market. You may go to our shipping interest, and you will find that during the last five or six months everyone has a more hopeful feeling than they had before. Take the lumber interest of the Ottawa Valley and other parts of the Dominion, and mark the change. You will find every man who is engaged in that business in the city of Ottawa, in the west, or down east, doing double work, making sales ahead, and with a different, a more buoyant, spirit than he had twelve months before. I care not in what part of the Dominion you go, you will find a more hopeful feeling and more confidence; and, notwithstanding all these evidences of prosperity, the hon. gentlemen of the Opposition will blind their eyes to the facts and state that the country is not prosperous, and are doing everything in their power to prevent emigrants from coming into the country to settle and invest their capital, and help to promote the prosperity of the country. I think it is scarcely necessary for me to enlarge upon this point, but I have no fears for the future of the country. Its prosperity I feel is assured. I do not say that it is all the result of the National Policy. I agree with my hon. friend (Mr. Mackenzie) that there are other causes affecting it, but I assert this—that the day after this policy was adopted in this House, in leading commercial centres and throughout a large portion of the Dominion of Canada, there was an entirely different feeling, a more hopeful feeling than there was the day before the policy was announced. And I believe, from personal observation and indisputable evidence, that 10,000 men are now occupied in the country who could get no employment before; and, what is more, the returns of the last six months, adding the three millions and a-half of imports of the previous year, which clearly belonged to that, will show that the difference between the imports and exports of the Dominion for the last six months are in favor of the exports by \$6,500,000. At the close of the year we will find that by the reduction of imports and the increase of exports, the balance of trade, which some gentlemen think is of no importance, though I think it is of vital importance to this country, will for the first time in the history of the Dominion be in our favour. I am, Sir, hopeful with reference to the future of this Dominion, and I believe that with the policy of developing the Great North-West, with the expenditure that was asked for this year, and is asked for by the Government for next year, we will be able by 1882 to pass through from Ontario to Manitoba by rail on our own territory and 200 miles beyond it—that we will be able to place hundreds of thousands of immigrants in comfortable homes in that magnificent prairie country, and bringing out of it, its products. We will then have in an increased revenue and increased exports, a return for the expenditure we are now making. If we can fairly succeed in making our financial

arrangements for the next two or three years, our difficulties will have been tidied over, and we will then be on a sound basis for the future. I said, in introducing the resolutions last Session, that the change in the fiscal policy was so great that it was quite impossible for any Government or any body of men to frame it, so that after the experience of a year there would be no amendments to propose. The amendments that I desire now to submit to the consideration of the House will show that there are no radical changes whatever to submit for the approval of Parliament. There are many of them framed rather with the view of removing the difficulties in the working of the Tariff than as changes of policy. In the working out of the propositions of last Session, there necessarily was a good deal of friction. Many articles were composed of different materials, and of course the rate of duty was levied in proportion to the materials of which the article was made. It was found that difficulties were arising from that source, as well as from others, and these considerations have led the Government to submit some amendments for consideration. I have had a synopsis of the resolutions prepared, which I propose to read to the House; it will show more clearly the changes made than the reading of the resolutions themselves. In the first place it is proposed, as it was found that the duty on demijohns, when they were brought into the country—

AN HON. GENTLEMAN :—Oh.

SIR SAMUEL L. TILLEY :—My hon. friend laughs at the demijohns. He rather sneered the other night at my temperance principles. If my hon. friend (Mr. Mackenzie) and I were going on together now as we did twenty years ago, in favor of temperance, perhaps he would not have sneered so much at me on this question. As to demijohns, those imported with vinegar, or wine, or acids, were subject to a different duty from demijohns imported empty. They will be charged 30 per cent. *ad valorem* instead of 20 per cent.; asphaltum, used in making varnish, 10 per cent. *ad valorem* instead of 20 per cent.; bagatelle tables or boards, with cues and balls, 35 per cent. *ad valorem* same as furniture; billiard tables raised from 10 to 15 per cent. *ad valorem*; the same will apply to pianos, the specific duty remaining the same; bird cages of all kinds will come under uniform duty, no matter of what material they are composed. Shoemakers' ink is placed at 25 per cent. Books are changed from 6 cents per lb. to 15 per cent., in consideration of our hon. friends opposite, who advocated that course last Session. Account books, 30 per cent. instead of 25 per cent.; valentines, chromos, and cards generally, a duty of 30 per cent. They were classed under different heads before. Some paid 20, some 25, and some 30 per cent., and it led to confusion in collecting the duty. Braces and suspenders are placed on the 25

per cent. list, they having previously been charged different rates, according to the materials of which they were made. Cans containing fish, under the Washington Treaty, will be charged 1½c. per quart can, and the same price for each additional quart. This duty was imposed in order to counteract the effect of the American legislation, by which the trade of the United States had an advantage over our people of eighteen cents per dozen on all canned fish. China and porcelain is to be increased from 20 to 25 per cent. Combs are placed at 25 per cent., instead of a duty being charged according to the materials of which they are made. Crapes of all kinds are now placed at 20 per cent. Fishing rods at 30 per cent. Fire-proof paint at ¼ cent per pound. Flag-stones, dressed, \$1.50 per ton. Artificial flowers are reduced from 30 to 25 per cent. Grapes are increased from 1c. to 2c. per lb. Mat-trasses of all kinds, 35 per cent. Silvered, plated glass, imitation porcelain, shades, decanters, etc., 25 per cent. Gloves and mitts, of whatever material made, 25 per cent. Wrought iron tubing, plain, not threaded, coupled or otherwise manufactured, 15 per cent.; slabs, blooms, loops or billets, are reduced from 12½ to 10 per cent. Liquorice is placed at 20 per cent; when in extract or confection, 1c. per lb. and 20 per cent. Malt, extract of, or for medical purposes, 25 per cent. Poultry and game, 20 per cent. Milk food, 30 per cent. The *ad valorem* duty on cabinet organs is increased from 10 to 15 per cent., specific duty unchanged. Bismuth is placed on the free list. Ruled paper is charged 25 per cent. Collars, if cotton, linen or paper, 30 per cent. Quicksilver is placed at 10 per cent. In regard to the duties on champagne, it is provided that the quarts and pints in each case shall be the ordinary sized quarts and pints. Steel and manufactures thereof are placed on the free list for another year. In regard to sugars, syrups and molasses, it is provided that the duty is to be charged on the export duty or other Government tax. Trunks are increased from 25 to 30 per cent. The duty on cigars and cigarettes is increased from 50c. to 60c. per lb. Tomatoes in cans are placed at 2c. per lb. Watch actions, movements, 20 per cent., cases and watches 25 per cent. Hubs and spokes in rough are reduced from 20 to 15 per cent. I now come to a question of some importance, and that is the question of coal. When this was under the consideration of Parliament before, the Government, after giving the matter very careful consideration, came to the conclusion that 50c. a ton on bituminous coal would carry it from Nova Scotia to Toronto. A considerable quantity of coal was sent to Toronto during last year, and it was hoped that arrangements could have been made with the Grand Trunk Railway by which the quantity might have been largely increased. After giving the matter the most careful consideration, and desiring to enable that industry to send its products as far west as Hamilton, it is proposed that 10c. additional per short ton be charged on

bituminous coal. That will make the duty 60c. per ton. Slates of all kinds and manufactures of slate not otherwise specified are made 25 per cent. *ad valorem*. Wool, viz., Leicester, Cotswold, Lincolnshire, and combing wools, such as are produced in Canada, are to be placed on the tariff at 3c. per lb.

MR. MACKENZIE: Will the hon. gentleman state what the revenue is he expects to derive from these changes on the Tariff?

SIR LEONARD TILLEY: I stated that after examining this matter carefully I do not think we will receive much additional revenue from these changes.

MR. MACKENZIE: Not from coal?

SIR LEONARD TILLEY: No; because we think this will carry the coal from Toronto to Hamilton, and if it does we will lose revenue, the Nova Scotia coal taking the place of imported coal. But upon the export duty on sugar and some other articles we will have an equivalent. However, the Estimates of increased revenue are not based upon these resolutions. The following are the additions to the free list: sulphate of ammonia; bismuth; cinnabar; machinery of worsted and cotton mills, limited to October 1st, 1880; muriate of potash, crude; settlers' effects, under regulations to be made by the hon. the Minister of Customs; live stock, when imported into Manitoba or the North-West Territory by intending settlers, until otherwise ordered by the Governor-in-Council; steel till 1882; water-colours, by well-known artists; quarterly, monthly and semi-monthly magazines, unbound. Mr. Speaker, in conclusion, I may say that these propositions the Government lay with confidence on the Table of the House, believing that they are in accordance with the policy declared last Session, and that they will be sustained, not only by the House, but by the country.

APPENDIX TO BUDGET SPEECH.

SIR LEONARD TILLEY—Before asking you to leave the chair, Sir, I beg to state, for the information of the House, that, when we are going into Committee, I shall ask them to consider and adopt the following resolutions in amendment to the tariff. I may say that two of the items contained in these amendments were omitted in the preparation of the schedule submitted on a former occasion. The others are matters that have received the consideration and the attention of the Government since the former resolutions were submitted.

1. *Resolved*,—That it is expedient to provide, in addition to the provisions contained in the Resolution of 10th March last, to further amend the Act 42 Victoria, Chapter 15, by the following additions to and alterations in the Schedule A of the said Act :—

1. After the item "Electro-plated ware," insert the words "Emery Wheels, twenty-five per cent. *ad valorem*" 25 p. cent.
 2. After "Gloves and Mitts," insert the words "Gold and Silver Leaf, twenty-five per cent. *ad valorem*" 25 p. cent.
 3. In the item concerning "Malt," strike out the words "two cents per pound," and insert the words "fifteen cents per bushel, upon entry for warehouse, subject to Excise Regulations" 15 p. bush.
 4. After the item "Paints and Colors, ground in oil," insert the words "Paris Green, dry, ten per cent. *ad valorem*" 10 p. cent.
 5. Under the heading "Wools and Woollens," in the item "Felt for Boots and Shoes," after the word "Shoes," insert the words "and Skirts."
 6. Under the heading "Gunpowder and other explosives," after the item concerning "Nitro-Glycerine," insert the words "Provided that a drawback of one and a half cents per pound may be allowed and paid on all blasting powder actually used by miners in the Province of British Columbia, during three years next after the first day of April, 1830."
 7. In the item "Soap, common, brown and yellow," after the word "cent," add the words "and a half" 1½ cts. p. lb.
2. *Resolved*,—That it is expedient further to amend the Schedule of Free Goods, as follows :—

Embossed Books for the Blind Free.
 From the item concerning "Colors," strike out the word "Castile" and the words "Paris Green."

SIR LEONARD TILLEY (continuing)—These are the propositions that, when we go into Committee, I intend to ask the House to consider; but, before requesting you to leave the chair, Sir, I wish to take advantage of the present opportunity of answering the strictures of hon. gentlemen opposite on the financial and trade policy of this Government. It has been my custom, as a member of the House, and as a member of the Local Legislature, in which I had a seat for many years, to discuss questions solely

upon their merits. As in the submission of my financial statements in 1873 and 1879, so in submitting my financial statement a few nights since, I avoided any reference, though my language has been designated as vituperative by hon. gentlemen opposite, to our predecessors, or the acts of the late Administration, feeling that it was only right and proper, in making a grave financial statement, to rest my case upon its merits and not fall back upon the shortcomings of our predecessors. My hon. predecessor (Sir Richard Cartwright), who, I regret, is not in his seat, thought proper, as on former occasions, not to meet fairly and argumentatively my case, but by sneers and insinuations; and were he present I would feel constrained to make some remarks upon his course of dealing with my statements, although my hon. friend the Minister of Railways dealt with him on that occasion in a manner highly approved on both sides of the House. I will, in his absence, Sir, defer any special reference to him until I come to my closing remarks, when he may be in his seat; and I will, therefore, at once proceed to the consideration of the subject on its merits. In the discussion that has taken place, it has been stated, with reference to the financial affairs of the Dominion, that the Estimates of expenditure submitted for the next financial year are largely in excess of any previous Estimates submitted to this House, and gives evidence of extraordinary extravagance in the present Administration. It has been stated that the debt of the Dominion of Canada has been increasing to a very remarkable extent since the year 1873 down to the present time, and it warrants the most careful consideration, not only of the Government, but every member of the House, and is alarming in the extreme. It has also been said that the taxation of the country in 1867-68, the first year of Confederation, was much less than at present; and I desire to show what that increased taxation really is, and what has led to that increased taxation. I desire also to state what our prospective expenditure for railway purposes will be during the next ten years, and the prospect of being able to meet that expenditure. Having dealt with these, I then propose calling attention to the arguments and statements made with reference to the working of the tariff during the past twelve months. In the first place, I will deal with the Estimates for the next year, which have been declared excessive. As far as the proposed expenditure is concerned, I purpose proving that, taking into account new expenditure, additional expenditure of an entirely new character, the expenditure proposed for next year is less, as far as controllable expenditure is concerned, than in any year since 1873. The estimated expenditure for next year is \$25,207,203, which includes \$200,000, the outside figure for Supplementary Estimates to be submitted, including provisions for public buildings in Manitoba. I proceed to

compare that proposed expenditure with that of 1873-74: if we deduct from that expenditure of \$25,207,203 the increased interest on the debt, the sinking fund, and subsidies to provinces, amounting to \$2,294,883; if we deduct \$186,000 estimated expenditure on the Prince Edward Island Railway as expenditure that did not exist in 1873-74; if we deduct \$500,000 for the section of the Intercolonial Railway between Moncton and Quebec, which was not operated in 1873-74, because it was not then opened; if we deduct \$200,000 asked for for next year for the management and maintenance of the Pacific Railway, which will then be in operation, we find that we have a total deduction to make of \$3,180,838, leaving \$22,026,360 against an expenditure of \$23,316,316 in 1873-74. If we deduct from the expenditure of 1873-74, \$540,000 properly chargeable to railway construction; if we deduct drawbacks or refunds of duties improperly returned during that year; if we take certain other items, which do not properly belong to that year, the outside being \$1,000,000, you will find that, giving the late Government the benefit of that million, it will still reduce the expenditure for the next year in the items over which we have control, to \$22,026,000, as against \$22,313,316—a sum less, after making these deductions, than was expended that year. Then we come to the expenditure for 1874-75, for which the hon. gentlemen opposite certainly were responsible, and we find that, taking the estimate of the next year, as before stated, as at \$25,207,203, and deducting from that the increased interest and sinking fund, and the increased subsidies between 1874-75 and 1880-81, being \$1,418,428; the expenditure estimated on the Prince Edward Island Railway being \$135,000 more than we expended in 1874-75: deduct \$450,000 for the management of the Intercolonial Railway, that was not opened at that time, and also \$200,000 to be expended in the management and running of the Canadian Pacific Railway in Manitoba, and you have a total deduction of \$2,203,428 from \$25,207,203 asked for 1880-81, leaving but \$23,003,775, against an expenditure of \$23,713,071 for 1874-75, or \$710,000 less. Then we come to 1875-76. Again, if we deduct from the estimated expenditure for next year the increase in the interest and sinking fund, and the subsidies, which make up \$1,401,742; the estimated expenditure on the Pacific Railway, \$200,000; the working expenses on the Riviere du Loup, section of the Intercolonial \$200,000, we have an expenditure of \$23,405,461, against an expenditure in that year, 1875-76, by our predecessors, of \$24,488,372, or \$1,000,000 less. If we take 1878-79, and deduct from the estimated expenditure for next year the difference in the interest and sinking fund and subsidies, \$631,235; for the expense of the management of the Pacific Railway, \$200,000; Riviere du Loup branch—formerly Grand Trunk—\$200,000, we

have a total of \$1,031,835, leaving an expenditure of \$24,175,968 to set against the expenditure of \$24,451,481 for 1878. We are looking to an increased expenditure from year to year, as we extend the Pacific Railway. But if, as in the present case, from this increased expenditure, we obtain a revenue equivalent, in return, which we expect, there will be no increase of the burdens of the people. When we make those deductions on account of the sinking fund and other exceptional expenditures, you will find that there has not been a year, from 1873 to the present, that the outlay has not been largely in excess of the estimate for 1880-81. I come to another point of some importance, the increased taxation of the people of Canada since Confederation. Now, in 1867 and 1868 the customs and excise, which are the measure of the taxation on the people, yielded \$11,700,681, or, in proportion to the population of that day, there being but the largest four provinces in the Union, \$3.55 per head. In 1878-79, we received from customs and excise \$18,476,613, or, in the estimated population of that year, \$4.55 per head, which was an increase of \$1 per head.

MR. BLAKE—What was the increase of the population?

SIR LEONARD TILLEY—I estimate it now, with the new provinces added, and the ordinary increase, at 4,000,000.

MR. BLAKE—Is the ordinary increase estimated at the rate that existed between 1860 and 1870?

SIR LEONARD TILLEY—Yes. The number must be about 4,000,000, upon which my calculations are based. It is very important to show what has led to this increased taxation of \$1 a head. The first cause was a measure submitted by the Government of which I was a member in 1873, which was carried by an overwhelming majority, and which has since been criticised with great severity by some of the hon. gentlemen opposite—the assumption of the whole debts of Ontario and Quebec when we entered Confederation, and the grant of equivalents to the other provinces. The late Finance Minister condemned that proposal, declaring it would impose heavy burdens upon the people. But whether it was right or wrong, it was sustained by a large majority, and it did not entail increased taxation on the people as a whole. It involved practically the taking of money out of one pocket and the placing of it in another. It was, it is true, assuming the debts of Ontario and Quebec, and giving the other provinces an equivalent for it, but, at the same time, it was relieving those provinces from additional local taxation. It also enabled the local governments to develop the railway systems of the

country, which was a great assistance to those provinces, and in the adjustment of these claims we added \$900,000 a year to our expenditure. Then, Sir, there has been added to the annual expenditure of the Dominion, for which provision had to be made, \$1,115,000, the interest and sinking fund for the construction of the Intercolonial Railway. Is there an hon. gentleman on the floor of this House who will say that the construction of that road was not necessary? Did it not form a portion of the terms of union upon which we came into this Confederation? Therefore the construction of that work became necessary, and the amount of \$1,115,000 for interest and sinking fund had to be provided for. In addition to that we have had to pay an average of \$500,000 a year for the maintenance of that railway over and above the receipts. I hope and believe the day is about past when the Treasury will be called upon to continue the payment of that sum, but down to the present time that sum has had to be provided for, and in 1878-79 an additional sum of \$200,000, although I have only taken the average into consideration. Then there was an increase in the Post Office expenditure, over and above receipts, of \$500,000. The expenditure has increased by \$1,100,000 and the receipts by \$600,000. It may be a question whether it was desirable on the part of either or both Governments to give the extended facilities which have been given to that service, but still the money has been expended, and we have the advantages of that expenditure throughout the length and breadth of Canada. Then there is the interest and sinking fund of expenditure on the Pacific Railway and the Canals, amounting to \$1,250,000. The whole of this makes a total of \$4,265,000, or more than \$1 per head of the additional necessary taxation imposed in 1878-79. I think it is important to bring this out, because we must take into account, in regarding the increase of the public debt, that we have added three or four new provinces to the Dominion; that we have purchased a vast territory, and are opening it up; that we have constructed and are working a railway in accordance with the terms of Confederation, and that the increase of \$1 per head has been caused by expenditures which, in the main, could not be avoided, but were absolutely necessary. I now come, Sir, to another statement. It is a statement of the increased expenditure, and is something of the same character as the one I have just submitted. We have heard more than once from the other side of the House this Session, that the expenditure of the Dominion of Canada has increased with rapid strides; that when we came into Confederation we had an expenditure of but \$13,486,000, while last year it amounted to \$24,455,000. It is important, in this connection, to show how this expenditure has been increased, for what purposes it has been made, and the objects which rendered it necessary. The increase in the payments for interest on debt and sinking fund for

subsidies, the readjustment of the debts of the provinces, and the increase on the debt incurred for the Canals and Pacific Railway, alone, amounted to \$3,982,651. The expenditure under the head of Intercolonial Railway, that is, the increased working expenses, (because, as the receipts form an item in our revenue, so the expenditure forms an item in our general expenditure) over and above what was expended in 1867, on the section of Intercolonial Railway then open from St. John to Shediac, and from Halifax to Truro, amounted to \$1,873,535. Then we come to the item of Public Works. During the first two years of Confederation, we expended very little on public works, Sir John Rose, then Finance Minister, having laid down the principle that the expenditure should not exceed the income. In the first year of Confederation, the amount expended on public works was only \$269,000. Last year, the expenditure reached \$1,130,000, being an increase of \$740,000. On Lighthouse and Coast Service, the expenditure has increased \$270,000. The policy of both Governments, and I think it was a wise policy, has been to expend liberally on the construction and maintenance of lights, which are for the benefit of our commerce, and especially our importers and exporters. On Fisheries, the expenditure in the first year of Confederation was \$30,572; last year it amounted to \$82,319, and the average expenditure for fisheries, since 1871, has been \$90,000 a year; the propriety of encouraging this industry will always be recognized by the people. Then we come to a large expenditure last year in connection with the Indians in the North-West, and the Dominion Lands. The expenditure under that item has become very large and serious. It is a question whether any other policy could have been adopted, but I think it will be admitted that the money which has been expended under treaty arrangements with the Indians, to secure peace with them, or to relieve them in the hours of their distress, is far better expended than in an increased armed force. The expenditure under this head reached \$680,000 last year. Then there is an increased expenditure in British Columbia, Prince Edward Island, Manitoba and the North-West, not included in the items referred to above, of \$700,000. On Ocean and River Service, we expended last year \$130,000 in excess of what was expended in 1867; and the increased expenditure on the Post Office was \$1,168,000. On Legislation, a part of the increased expenditure was caused by the accession of new provinces, the increased number of members of this House and of the Senate, and a part was the result of an increase in the indemnity to members. That item was \$153,000 more last year than it was in the first year of the Union. An increase of \$31,000 was caused by the salaries paid to the four additional Lieutenant-Governors. On Weights and Measures, there has been an increase of

\$84,000; and \$100,000 has been added to the cost of management of canals, though they have brought an additional revenue of \$90,000. This makes, altogether, an increase of \$10,104,190, leaving about \$865,000 to be accounted for by the increase in the cost of the Civil Service, Immigration, Pensions, Superannuation, Marine Hospitals, Customs and Excise, Insurance, Geological Survey and Observatories, the result of the admission of new provinces, or new items of expenditure. These are the items which compose the increase since Confederation, but, if hon. gentlemen will take them up and examine them carefully, they will find that, although, probably, there are some expenditures which could have been avoided, there is a satisfactory reason, in most cases, for the increased expenditure since 1867.

MR. MACKENZIE—You have a revenue equal to the expenditure for insurance, or a little more.

SIR LEONARD TILLEY—O, yes; and in several of these items our revenue has gone on increasing. From 1867 to 1873 the increase in the revenue was much larger than that in the expenditure, which left us a surplus, and since then there has been an increase in many items, but it all goes to swell the general expenditure, and I think hon. gentlemen do not always take that as much into consideration as they should. Some state to the country that there has been an increase in the expenditure from \$13,000,000 to \$24,000,000, without saying anything about the increased revenue—from public works—received in return for those increased expenditures. Now I come to what, I think, requires to be cleared up a little, and that is the increased debt from 1867-78 to the present time. The gross debt of the Dominion appears from the Public Returns to have been in 1867-68 \$93,046,000, or deducting the assets, namely \$17,317,000, it was a net debt of \$75,728,000. The net debt in 1872-3 amounted to \$96,000,000 as against \$75,728,000 in 1867-78, leaving \$24,119,820 as the net increase from 1867-78 to the close of 1873. I have heard hon. gentlemen opposite say that the increase in the debt during our administration was enormous, and, the other night, one of them said that since 1873-74 the debt had been increased little or nothing, only, in fact, about \$7,000,000.

MR. MACKENZIE—No.

SIR LEONARD TILLEY—I think the hon. member for South Huron (Mr. Cameron) said so.

SIR CHARLES TUPPER—He said there was no increase in the debt.

MR. MACKENZIE—I said there was no increase in the debt except what was caused by the obligations entered into by our predecessors.

MR. CAMERON (South Huron)—That is stated in *Hansard*.

SIR LEONARD TILLEY—The member for South Huron said more than that. One of the items of increased debts is \$14,520,000, expended on the Intercolonial Railway. Was not that an increase demanded by the terms of Union? Then there was an amount of \$13,859,000 caused by the readjustment of the debts of the Provinces. That did not increase the taxation of the whole country, although it increased the debt and liabilities of the Dominion of Canada, but it was returned to the people through the local governments and local legislatures. There was an increase of liability of \$28,379,000 on these two items alone, to say nothing about the expenditure on Canals, the purchase of the North-West, and the surveys of the Pacific Railway and other similar matters. These two items alone amount to \$4,200,000 in excess of the total increase of the debt during that period.

SIR CHARLES TUPPER—If my hon. friend will allow me, I will call attention to the statement of the hon. member for South Huron (Mr. Cameron), which will be found on page 705 of the Debates, as follows:—“Scarcely a dollar was added to the public debt during the existence of the late Government.”

MR. CAMERON (South Huron)—If the hon. gentleman will refer to the speech he will find that I was referring to the large obligations which had been previously undertaken.

SIR LEONARD TILLEY—Now, let us look at what the obligations were at the close of last year. We find that the net debt, at the close of 1879, was \$147,481,070, making an increase in that period of \$47,632,607.86.

SIR CHARLES TUPPER.—The hon. member for North Oxford (Mr. Oliver) said the public debt of the Dominion was \$147,481,557 when my hon. friend from Lambton left power. When he took office it was \$140,000,000.

SIR LEONARD TILLEY—That is just exactly what I said. *Hansard* may be right or wrong, but, as a rule, *Hansard* passes through the hands of members, and, I venture to say, that passed through the hands of my hon. friend opposite. Now, then, there is an increase, in that period, of \$47,632,000, to which must be added the expenditure that is to be made under

contracts that were entered into by our hon. friends opposite, from the first of July, last, their engagements for the Welland Canal, the Lachine Canal, the Cornwall Canal, and for the Canada Central Railway, amounting to \$6,951,000, making in all \$54,500,000. If we add to that \$4,500,000 of the Fishery Award, it makes the increase of expenditure over income nearly \$60,000,000 in six years. The hon. gentlemen quote from my speech in 1873, when I spoke of the prospective liabilities of the Dominion of Canada, when I spoke of the \$10,000,000 to be expended on the Intercolonial Railway, of \$20,000,000 as the prospective expenditure for Canals that, under the recommendations of a commission, was not bound to be made within five or six years, or within any given period at all. It was a commission appointed for the purpose of examining into and enquiring as to the general system of canals, so that no money should be thrown away, but expended with reference to that general system. I estimated that the expenditure under that report would be about \$20,000,000. And then, the engagement that we were under, of \$30,000,000 for the completion of the Pacific Railway, made altogether \$60,000,000. So it appears, from the end of 1873 until the end of last year, \$60,000,000 has been added to the debt since we left office, and still hon. members opposite will say that the debt has not been increased, or not more than something like \$7,000,000. What is more, when we came into office, we found not only these engagements entered into which required \$6,900,000 to complete them, but we found the railway contracts so let that the money expended on the two sections, one east of Winnipeg and the other west of Lake Superior, that if the expenditure made upon them was to be of any benefit at all, it became absolutely necessary for the present Government to provide for the missing link. In order, therefore, that these expensive sections might be at once proceeded with, and that the expenditure on the 400 miles from the head of Lake Superior to Winnipeg should be of value afterwards, it was deemed of the utmost importance that 200 miles at least beyond that, into that fertile territory, should be constructed in order to secure some benefit out of the enormous expenditure previously made. These expenditures, therefore, were necessarily demanded of us. In accordance also with the conditions that my hon. friend opposite entered into, we took steps to carry out in good faith the negotiations they had entered into with reference to the construction of the Pacific Railway. My hon. friend opposite said, the other night, that when he asked for tenders, unless I misunderstood him, for the British Columbia section of that railway, the location of which by the late Government was accepted by the present Government, he did it simply to ascertain what was likely to be the cost. I must have misunderstood my hon. friend, because, when I recollect the negotiations that were entered into between hon.

gentlemen and British Columbia, when I recollect that Lord Carnarvon and the Imperial Government were taken into their confidence, and that they engaged to construct it by 1890 if they could not do it sooner; and, in addition, they engaged to give British Columbia \$750,000 in lieu of the portion of the road that was to be built on the island, or in lieu of that section, which proposition was subsequently rejected by the Senate; when I recollect all this, and when I find that there is a notice given by gentlemen opposite, of a proposition to stay proceedings in that section of the country, I confess that I am amazed, considering the position my hon. friends opposite are in with reference to the obligations they solemnly entered into with British Columbia and with the British Government, through Lord Carnarvon. It is now a grave and serious question in dealing with this expenditure; and, I must say, I was surprised, when the vote was taken a few nights since, to find, on the other side of the House, gentlemen voting for a proposition that would, if it had been adopted, deprive the Dominion of Canada of the means available from the sale of land for the construction of that railway, and thus subject the older provinces to increased taxation for the whole of that expenditure; and these gentlemen will, no doubt, vote for the proposition of the hon. member who is to move a resolution that these works are not to be constructed, knowing, at the same time, that our treaty engagements must be carried out. When the Right Hon. Premier referred, yesterday, to a statement that had been put into his hands with reference to the revenue that was likely to be received from the lands of the North-West, there was some little laughter on the other side of the House; and, no doubt, in justification of their vote on the land question this morning, they will say there was no money in it, and, therefore, they did not sacrifice anything in voting against the sale of the lands. But I hold that that estimate was not an exaggerated one. But suppose it was large, taking but one-half the population that is estimated to go into the North-West, making this year 12,000 instead of 24,000, and adding 2,500 a year instead of 5,000, and then provide for the sale of but one-half of the lands estimated by the Premier, and what is the result? It produces in ten years, in money, according to that statement, \$19,500,000 instead of \$39,000,000, and it would leave a balance of payments due on the lands of \$16,000,000 towards the payment of the debt. The hon. member for Gloucester called attention to the fact that my hon. friend the leader of the Government did not refer to the interest that is to be paid in that time. Well, our calculation is this: that, in order to complete the railway from the head of Lake Superior to Winnipeg and the two hundred miles beyond it, we will have to spend \$10,000,000 a year for two years. After that, the Government policy is not to expend on public works over \$5,000,000 a year and

you will find, by making the calculation that the expenditure for the two years, when we have completed it from the head of Lake Superior to 200 miles beyond Winnipeg, together with that in British Columbia, will not exceed \$5,000,000 a year. In the ten years, according to Mr. Fleming's estimate under this expenditure it will be completed, involving an outlay of \$60,000,000. Now, then, if we calculate the interest on the \$10,000,000 for this year, \$10,000,000 for next year, \$5,000,000 a year afterwards, it amounts to \$13,500,000 in the ten years, a million dollars less than half the estimate of my hon. friend for the payment of the interest, and leaving \$16,000,000 as a balance due, besides over 80,000,000 acres of unsold land to complete the road. Is it unreasonable to suppose that in ten years 250,000 people will be placed in that country? Mr. Fleming's statement is, that the road from Winnipeg to the Rocky Mountains will cost at the outside \$15,000 a mile. \$13,000 is his estimate, making the whole expenditure something like \$13,000,000 or \$14,000,000 for that section. I have heard the hon. member for Gloucester say that the experience in the other provinces is that railways have not developed the country. Why, suppose we had put a railway through any part of New Brunswick that was difficult of access, and through such lands as we have on the banks of the River St. John, and this is the kind of soil we have in the North-West. I would like to know if that railway would not be an effectual means of developing and settling the country? Well, Sir, if that be the case, I think there is every reason to hope and be hopeful with reference to the great future of this country. Our financial difficulties, as I stated in my Budget Speech, will be for the next year or two. After that, our course will be clear, and the Government having the control in their hands, if they find there is a difficulty with reference to the expenditure, they can limit it; but I believe they will find that \$5,000,000 a year on that road, and upon the 900 miles beyond Winnipeg, will not be an unreasonable expenditure. This is a grave and serious question, no doubt, but I feel that the possession of that magnificent territory, affording the facilities it does, and the inducements to emigrants from the old world to come and settle it, places us in an entirely different position from that we occupied before we came into possession of it. So much with reference to the financial view of the question. I come now to consider the tariff and its effects during the last twelve months. I stated, when I made my first Budget Speech, that the most serious effect predicted of the policy the Government had inaugurated was that it would operate injuriously to certain provinces. Well, Sir, I undertook to show briefly that the province especially to which that reference was made would not, in my judgment, suffer very materially under the operation of that tariff: that was

the Province of New Brunswick. An hon. member of this House made an effective speech on this subject last year, and he made an effective speech this year; but as his statements did not happen to be consistent with the facts, the effect of that speech will not be as great as it was at the moment of its delivery, when he was surrounded by his friends and congratulated upon his speech. That hon. member (Mr. Ross), in order especially to show that this tariff operated injuriously to Ontario and New Brunswick, stated that, in consequence of it, the duties collected per head of the population in Ontario had been increased last year \$1.16 per head, whereas in Quebec they had only been increased 27c. per head; in Nova Scotia they had been diminished 9c. per head, but in New Brunswick they had been increased \$1.40 per head. Now, though the returns for last year only embrace some four months' operations of the tariff, if such had been the actual results of that tariff, then the hon. member would have made out a case with reference to the unequal bearing of this tariff upon the Provinces of Ontario and New Brunswick. But when I tell this House that the difference per head of the population during last year was 16c., instead of \$1.16 for Ontario—

MR. ROSS (West Middlesex)—Last year? My statement was correct.

SIR LEONARD TILLEY—Your statement for last year is not correct. I have the returns for last year to show that the increase in Ontario was but 16c. per head, instead of \$1.16. It was 27c. in the Province of Quebec; and instead of its being in New Brunswick \$1.40 more per head, it is \$1.40 less.

MR. MACKENZIE—How does the hon. gentleman count the entries at Montreal?

SIR LEONARD TILLEY—I am merely taking his statement, in which he refers to the increase of duties per head of the population.

MR. MACKENZIE—If the hon. gentleman is giving figures of his own, I want to know how he arrived at it.

SIR LEONARD TILLEY—They are from the Trade Returns. If you turn them up, I will show you the figures, they speak for themselves.

MR. ROSS—I referred to percentage.

SIR LEONARD TILLEY—If you turn to the Trade Returns of last year, where there is a comparative statement of the *per capita* rate of customs duties,—it was from that, I suppose, the hon. gentleman obtained his data,—and if the hon. gentleman expects his statements to have any effect upon the

country, he must not make statements so inaccurate and so open to contradiction. I advise him to state things as they are instead of reversing them, and stating there is an increase of \$1.40 instead of a decrease. That decrease took place in this way: In 1877-78, owing to the fire in St. John, there was a very large increase of imports into the Province of New Brunswick. That increased the rate per head on its population, and the result was that last year it was \$1.40 less. Then the hon. member stated, and the statement was responded to by the members of the Opposition around him, that that was a point it was hard to get over. It only shows what the hon. member will resort to to make a point against the tariff. I desire to enlarge a little upon the effect of this tariff on the Province of New Brunswick. An hon. member for Ontario referred to a petition from St. John complaining of the operations of the tariff laid on the table of the House, and having about 2,600 or 2,700 signatures. I find that the signatures to that petition numbered just the same as the votes recorded by the late Minister of Customs at his last election. Then the petition had this advantage: that in a population of 40,000, where there would be 10,000 male adults, many of them not electors, many non-electors' signatures could be obtained. Moreover I find that this petition was sent to every section of the country. This petition does not denote any great change of opinion. The petition is a very remarkable one altogether. I wonder it was not signed by everyone to whom it was presented. It asks that the duty should be taken off sugar, flour, meal and almost everything imported. I see one gentleman, a supporter of the gentlemen opposite, was quite willing that the duty should be taken off everything but one article, in which he was largely interested, as he is a large stockholder in the Spring Hill coal mines, and he marks on the margin, "except coal." It is necessary to look carefully into a petition, in order to discover what value is to be attached to it. I notice that there is a marvellous similarity in the handwriting of the signatures, and an important feature in connection with the petition is that portions of it is much worn, and in a soiled condition, which is an evidence of the amount of labor expended in hawking it about. The parties signing this petition also signed a joint letter to myself and the county members, asking that the petition should be complied with. I did not receive the letter until several days after I made my financial speech, when it was not possible to take these subjects up and deal with them. I now come to a matter of somewhat personal character. The hon. member for Queen's, who has taken charge of the city and county of St. John, read an elaborate paper, showing the number of mechanics and tradesmen in the city of St. John, and he took me to task for having made calculations with reference to the effect of Confederation, financial or other-

wise, that were proved to be entirely erroneous. I may say, in this connection, with the regard to the question of Confederation, the hon. gentleman did, as he did upon a former occasion, refer to the fact that I stated the probable customs and excise tax, under the arrangements made in Quebec, would be \$2.75 or \$3 a head. But what was the fact? If we bear in mind the arrangements made after the Quebec meeting and subsequent concessions and readjustment of debts, we will find that the sums we are now receiving in New Brunswick as interest on debts and subsidies is \$3 per head of the present population,—a greater sum than it was supposed the necessary taxation would be under the original arrangement. I do not hesitate to say, and it is susceptible of proof, that New Brunswick has received a sum equal to what she has paid year by year into the Dominion treasury, without paying, to this moment, one cent of interest on the expenditure in connection with the Pacific Railway, the Canals or the Civil Service. Notwithstanding this, I am held up here as entering into an arrangement that has been financially injurious to the Province of New Brunswick. With reference to the condition of that portion of the Dominion, I made some statements, the other day, in relation to the effect of the National Policy on the manufacturing industries of that province. At the close of last session I stated that a charter had been asked for the establishment of a sugar refinery. As nothing had been done under that charter, my reference to the proposed refinery at Moncton was ridiculed. The other day I thought I would telegraph to Mr. Harris in respect to this refinery, and I received a reply from his partner, stating that they had commenced the construction of the sugar refinery, and that Mr. Harris was in England for the purpose of purchasing machinery.

SIR ALBERT J. SMITH—How many men will it employ?

SIR LEONARD TILLEY—It will employ enough men, so that, by its influence in the town of Moncton, and by the impetus it will give to the trade of Moncton, my hon. friend opposite, at the next election, will not be able to obtain as large a support as he has hitherto done in that town. Then I telegraphed to the Vice-President of the Lock and Brass Company, which has been established with \$200,000 capital, \$60,000 paid up. He says the building is all up, and they will commence work on the first of May. The hon. gentleman said: "Oh, that is an enterprise that has been contemplated for a long time. An ingenious man residing at Moncton invented a lock and patented it, but he was never able, until this policy was adopted, to manufacture the article. They are not only manufacturing that lock, but an American capitalist has gone in with them, and they intend making all

kinds of brass and plated ware. With regard to the cotton mill at St. Stephens, which has been referred to by Mr. Weldon, I have received a telegram from the secretary authorizing me to state that \$80,000 capital have been subscribed, that the success of the concern was assured, and that the statement made by Mr. Weldon was entirely without foundation. Then there is the Nut and Bolt Co. that was referred to. I telegraphed to Mr. Levy Young, the promoter of the Company, and he states that the building will be commenced by the first of May, and that they have orders ahead for all the work they can do for six months. I think this looks as if there was some vitality in the province, that is said to be doomed and destroyed by the policy of the present Government, and I am satisfied the people of that Province will show as much enterprise as any other part of the Dominion. With reference to the alleged poverty-stricken character of that country, I have returns of the savings bank deposits during January, February and March. The returns of these savings banks give some idea of the condition of the working classes. What are the facts? These returns show that, during these months, \$88,000 more have been deposited than withdrawn, against \$16,000 withdrawals in excess of deposits during the same period of the previous year. What has been the effect of the policy with reference to the revenue? The revenue collected during the first six months of this year is \$100,000 less than for the same period in the previous year, and add to that \$10,000 to the sugar duties, collected this year at Montreal instead of St. John, and you have \$60,000 less taxation on the people, in shape of customs, than the year before. It may be said, on the other hand, that is a proof of the poverty of the people. If that be so, then the revenue collected in March being \$13,000 more than the previous March, and in excess of any March collections for ten years previous to the fire, is evidence of returning prosperity. The hon. member for Queen's says that all his supplies cost him more this year than last. At the same time, he admitted that the reduction of the duty on molasses and tea paid the duty on cornmeal. Now, there is a rather conflicting testimony here, because he says there is no increased price in regard to oats, provisions and pork; and, if tea and molasses are cheaper than they were, how is it that the lumberers' supplies can be so largely increased in price? The hon. gentleman, and also the hon. member for Northumberland, declared that their predictions that wages would be increased had not been fulfilled; that wages had not increased. Well, I do feel this: that if they are getting a larger price for their lumber than they did last year, and the supplies cost the men more than formerly, as they allege, and as these gentlemen largely control the labor and the price of labor in their counties, they ought, in

common fairness, to have advanced the wages of their men ; such a course would have been more consistent with their great professions of regard for the poor man. With reference to the West India trade, I must say here that that interest has largely improved the value and paying capacity of small vessels, and coasters are now receiving freights such as they have not received for many years.

SIR ALBERT J. SMITH—Where ?

SIR LEONARD TILLEY—Out of the ports of New Brunswick. At St. John a large number of vessels are, at this moment, being specially built for this trade with the West Indies, and for trade with the United States. The rates of freight are larger, and I have it from undoubted authority that, since December last, there have been more vessels in the port of St. John than for ten years, during the same months. I do not say that this is all due to the National Policy, but it certainly does show that the National Policy is not ruining St. John or New Brunswick, and that St. John is not in the bankrupt and dilapidated condition that it has been represented to be by hon. gentlemen opposite. You may go through that city and province, as I have had the opportunity of doing, and I do not hesitate to say, speaking of that province with reference to its condition to-day, and the bankruptcies which are alleged to be the result of this tariff, that the bankruptcies there are less than in any other portion of the Dominion, according to the population, and I ask hon. gentlemen opposite to name two men, or one man even, who has been forced into insolvency through the National Policy. They cannot do it. It is when they are called upon for details that they fail to establish their assertions ; when they attacked the industries of St. Catharines they were met with their answer, and so it is whenever we bring them to particulars ; they are met with a distinct and positive answer to the statements they make. And so it is with reference to St. John. The information on these points can be obtained, if it exists, in twenty-four hours. I ask for the name of one man that was forced into bankruptcy by the National Policy.

SIR ALBERT T. SMITH—How can this be shown ?

SIR LEONARD TILLEY—How can it be shewn ? Why, the opposite statement has been made ; but if hon. gentleman who have made that assertion know nothing about it, if they have no evidence of it, if no evidence can be given that one man was driven into insolvency by the National Policy, how can it be stated that many had been made bankrupts by the National Policy ?

If it cannot be shown, then I ask how can the opposite be asserted, and why was it asserted? The fact is, that there was scarcely a man in St. John, who has since failed, who was not insolvent the day after the fire. I would ask, Sir, what would have been the result through the length and breadth of the Dominion, if we had not had the National Policy, and thus given vitality to the various interests of this great Dominion? Now, passing from New Brunswick for the present, because I have the advantage of replying to anything that may be said on the opposite side, I come to the question of manufacturers. I stated in brief, with reference to manufactories throughout the country, that, from my observation, after visiting a great many of them, I found that the result of this policy was satisfactory to them. The hon. the leader of the Opposition said that one-half of the manufacturers objected to the tariff; reference was made to my visit to London in proof of it. I visited in all nineteen manufacturing centres, and some of these are the most important manufacturing districts; and after visiting them I was satisfied with what I saw, and that the great bulk of the manufacturers of the country were satisfied, and nearly all declared that the policy had been beneficial. Something was said about my being besieged in London by a number of persons dissatisfied. My visit there was very satisfactory. It is quite true I met some gentlemen on Saturday evening who had some representations to make, and I arranged to meet them at the City Hall on Monday, and discuss the various matters they had to present for consideration. I met them there; one complained about the tolls in the harbor of Port Stanley, and asked that they should be reduced; another, engaged in the slaughtering of hogs, thought that they were not fairly dealt with in respect to the difference of weight allowed between the live hogs and exported pork; and this complaint was dealt with in due course by the Minister of Customs, and concessions made. Another gentleman, in the cap and fur trade, had a grievance with reference to duties on a particular description of felt; but he told me that his friend in the same line of business opposite to him was perfectly satisfied with the tariff; this I knew already, for I had seen the gentleman in question, who, by-the-by, was a firm supporter of hon. gentlemen opposite, and he had told me he was quite content with the tariff, and had no suggestions to make in regard to it. I visited the carriage manufactories referred to by the hon. gentlemen opposite. The carriage makers did object to the 30 per cent. on certain materials entering into the construction of carriages. Hon. gentlemen, however, had said that the tariff had destroyed this trade with Australia. How could this be, as a drawback would be allowed on materials used in carriages exported? It was, probably, the imposition of a similar duty, and the adoption of a similar policy by Australia, that de-

stroyed our trade in this respect—not our own National Policy. Our manufacturers would pay no duty on goods exported. A great number of waggons and agricultural implements are being sent out to Manitoba. A gentleman engaged in the manufacture of agricultural implements told me, when in London, that he had received orders from Manitoba for \$60,000 worth of agricultural implements and waggons, to be delivered this spring. I visited a furniture factory that had just re-opened, and I found the men in great spirits; I found the words “success to the National Policy” posted up in every conceivable place. And what did I find them doing in this factory? I found them manufacturing the frames of an article that had never been manufactured there before, but had previously been transported from Chicago, and which they now manufacture for smaller manufacturers in the upholstery line. This was a new industry in this branch. I then went to a rolling stock manufactory, and found them engaged in the manufacture of cars for the Southern Railway. Let me say here that the National Policy has had this effect of causing to be manufactured in Canada cars and locomotives that would otherwise have been manufactured in the United States. In Montreal there has been an immense number of men at work on rolling stock. I was not only in London, but I was in Brantford, on my way from London, and at Brantford I met a great many who had formerly been supporters of the hon. gentlemen opposite, and one, who had, according to his own statement, been a constant supporter of the Liberal party, who said, in the course of a speech made by him at a dinner, at which I was: “I have been a supporter for twenty-seven years of the Liberal party; I have not agreed with them in the policy of Free Trade, but I have supported them with every vote; I am engaged in a business in which we have scarcely held our own for the last four years. I visited Ottawa; I appealed to the Government; I stated to the ex-Minister of Finance our difficulty, our sinking condition, and what the consequence would be if no relief was given; and I said to him, ‘See, we are sinking; we must have some assistance.’ ‘Go back,’ said the ex-Finance Minister, ‘and sink, then.’ Am I then to be called a traitor to my principles because I have, in that sinking condition, laid hold of the lifeboat that has been prepared by Sir John Macdonald to save us? I have a living now; my profits are small, but, nevertheless, I am able to keep my mill going and to keep my men employed.” I visited another manufacturer with the political proclivities of the hon. gentlemen opposite. As we passed through his place there were many smiling faces. He said to me, before we went through: “You have a great many friends here, and I should not at all wonder if they give you a cheer; if they do, I will not object.” I visited an establishment in another town. I was shown through by one of the partners,

and general satisfaction was expressed. I will tell you the conversation that passed in the evening after being through this establishment. A gentleman asked me, "Did you see Mr. So-and-So?" I answered "No." He said "I saw him the other day and I said to him 'Mr. Tilley is coming here in a few days, you will, of course, shew him through your place'; he said: 'I do not want to see Mr. Tilley; I do not want to admit that the National Policy has done us any good, and I would have to do so were I to see him.'" Now, though giving unwilling testimony, that same gentleman had expressed himself satisfied, and that his business was in a prosperous condition. I visited Gananoque, where I went over several establishments, where the proprietors were of one or the other side of politics, and, with one exception, all admitted that the change in the tariff had benefited them, and I have not been in any town of the Dominion of Canada of the same population that showed more vitality than that town. I visited the principal manufacturing centres, including Oshawa, Belleville, Toronto, Montreal, Sherbrooke and Almonte, and conversed with their manufacturers and merchants. Almonte is an important manufacturing centre for woollen goods, partly owing to its magnificent water power. I found the three leading establishments working after hours, though they had been shut down for some time before. The largest had been bringing in new machinery, to take advantage of the best inventions for the manufacture of new kinds of cloths. The other establishments were working overtime. The weavers received, the day I was there, or the following day, some 10 per cent., or 10c. a day additional to their wages. I was pointed out the building erected for a furniture factory, and have been asked here if I visited it. Yes, it was shown me; and I was told it had been burned out in 1876, and that the town of Almonte had agreed to give \$10,000 as a bonus for its reconstruction. The building was re-erected, and the town having failed to give the bonus it stood there awaiting use; but it will not wait long, I trust, under Protection, for an occupant. It stands idle because the capital of the company was lost by the fire, and the promised bonus was refused. The other interests of the town, especially the woollen, were in a most flourishing condition. Wherever I went, I found improvement. Take, for instance, Montreal, where it is estimated there are to-day 4,000 more operatives employed, and at better wages and at full time than there were this time twelve months. A large machine shop is manufacturing machinery for the sugar refinery, and producing machinery for other manufactories being established; you will find in different parts of the country, workshops turning out new machinery. They have had an impetus given to their trade, as they are building engines, locomotives and machines for the new industries. I

want no better proof of the success of the National Policy than in the construction and enlargement of cotton and woollen mills. A gentleman who was here last session, and had opposed the duty on coarse woollen goods, afterwards went to England and brought out machinery formerly in use there, for a woollen mill erected at Montreal, and he had 100 hands employed in it in three months after the change of tariff. One ready-made clothing establishment in Montreal has 900 hands employed. You find in factory after factory all the hands now fully employed and in increased numbers. Gentlemen opposite say that those are immense monopolies, taking, unfairly, the hard earnings of the masses. I have statements from the manufacturers showing that cotton goods, bleached and unbleached, were, on the 21st February last, for sale in this country as cheap as they could be bought in Boston, and the duty saved on them. I requested and got reliable statements from the manufacturers. There is a difference of less than 1c. per lb. on the weight of the cotton manufactured in favor of Boston; but the manufacturers here give three months' credit, and 10 per cent. discount, while in Massachusetts but two months are given, and five per cent. discount, which makes the price about the same in both countries. With reference to woollen goods, taking the price of wool for 1873 to the present year, let us look at the profits on the manufacture of a pound of wool: in 1872, 52c.; in 1873, 42c.; in 1874, 43c.; in 1875, 47c.; in 1876, 48c.; in 1877, 46½c.; in 1878, 41½c., and in 1879, 30c.—that is down to the end of 1879. Then, here is the statement for 1880, so far as it has gone: The difference between the price of wool per pound and the price of 12½ ounce cloth per yard, in 1870, 55c.; in 1871, 35c.; in 1872, 40c.; in 1873, 45c.; in 1874, 40c.; in 1875, 40c.; in 1876, 40c.; in 1877, 35c.; in 1878, 35c.; in 1879, 30c.; in 1880, 35c. The duty was 15 per cent. in the earlier and 17½ per cent. in the latter years; but those goods are sold at present at a lower rate of profit on the manufactures of the wool than before. I have a statement in reference to grey and white blankets, and the profits per pound stand in the same proportion, and, in conversation, with a gentleman, within the last few days, who deals largely in that article, he stated that, until the recent increase in the price of wool, the price of Cornwall blankets, notwithstanding the increase of duty, had not been increased to the purchaser. When wool rose from 22c. to 35c. per pound, the manufacturers of woollen goods had to increase their price in the same proportion. This gives cotton and woollen goods manufactured in Canada to the consumer at a less price than if the former tariff were in force. We come now to the price of sugar. My hon. friend behind me (Mr. White) made some statements that were very full and clear. He referred to the number employed in the refineries, and the additional work

sugar gave, not only in refining, but in the manufacture of barrels, cartage, &c. One important point has been kept out of sight by hon. gentlemen opposite. Under the late tariff, sugar above No. 13, paid 1c. per pound and 25 per cent. duty. Now, what did we do when we readjusted the tariff last year? We said that all sugar, No. 14 and below, down to No. 9, should pay $\frac{1}{4}$ c. per pound and 25 per cent. This description of sugar that I hold in my hand is very fair grocer's sugar, that may be consumed by any family. A very good and desirable sugar pays, to day, $\frac{1}{2}$ c. per pound less than it paid under the tariff of the hon. gentlemen opposite. It pays $\frac{1}{4}$ c. per pound specific duty less, and, when imported direct to the Dominion, the 25 per cent. levied on it is not charged on the cost of the packages and other charges, but on the first cost, which makes the rate to-day, to the consumer, $\frac{1}{2}$ c. per pound less than under the old tariff; and on all grades between 13 and 9, which can be used by any family, pays $\frac{1}{4}$ c. per pound less, because they do not pay the 25c. on the charges.

A MEMBER—That is not refined sugar.

SIR LEONARD TILLEY—Certainly not; but the hon. gentleman told us the tariff operated against the poor man. When we can establish that the rich man's sugar, as well as the poor man's, is admitted at $\frac{1}{2}$ c. less per pound than formerly, and the sugar between No. 13 and No. 9 at $\frac{1}{4}$ c. less than before the present tariff, the cry with reference to the poor man's injuries by the change of duty on sugar is absurd. This trade involves far more than the employment of a large number of men in Montreal, Halifax, Moncton, Hamilton and other cities—more by the direct trade with the St. Lawrence, and New Brunswick, and Nova Scotia, with the West Indies. With this trade, a vessel leaving any of our ports with a cargo of lumber or fish for the West Indies, can find a return cargo of sugar for Halifax, St. John or Montreal. The party shipping the Canadian cargo can thus obtain a lower rate, giving increased profits to the shipping interest, or reduced freight to the shipper, by which his profits are increased. The member for West Middlesex (Mr. Ross) said the difference between the quantity of sugar imported from England and that brought to Canada from the West Indies, under the new tariff, was but 4,700 tons a year. He will find it amounts to 26,000 tons. Vessels from Canada can accept lower rates to the West Indies when they have those return freights, and they can get higher rates and more profits when there is competition among merchants. It is true that foreign vessels come to Montreal with cargoes from Cuba; but that has its advantage, as they load with our grain, and foster trade between Canada and other countries. These vessels, with sugar and coal required for refining, provide tonnage at Montreal

at rates that enable them to compete with vessels offering at New York, and thus secure our exports *via* the St. Lawrence. It may be said you are interfering with the extent of the outward-bound freights by your National Policy. I answer—does it not take more tonnage to bring here 100 tons of wool than it does to bring the products of 100 tons? Does it not take more tonnage to bring iron here, in the raw state, than if manufactured, and the same with other articles of trade? Let the hon. gentleman (Mr. Mackenzie) gainsay this if he can. The National Policy is encouraging our shipping, and developing the North-West as well. We are spending a large amount to improve our inland navigation and trade by the St. Lawrence. We find the Americans in sharp competition with us, as the large emigration to that country gives its vessels return business. But we shall hereafter have steamships carrying European emigrants to settle in our North-West, and carrying back the products of that region and of the older provinces, at lower rates, and thus enable us to compete with our neighbors. In that way also, we will see the advantages of the National Policy. Let it be properly worked out, and the country sufficiently developed, and we shall have a larger outlet by the St. Lawrence than ever before, and the benefits of an increased carrying trade. With regard to the statement that $\frac{3}{4}$ c. to $1\frac{1}{4}$ c. per pound is the addition to the price of sugar under this tariff, the quotations of November, December and January last will show it has been selling at a little less than under the old tariff. We will do still better if we buy when prices are higher and there is a larger balance in our favor. We shut out the American article, by adding to the value of this sugar the amount of their drawback. Our American neighbors can remove this difficulty at any moment by reducing their drawbacks. But there is no objection to a competition to keep our refined sugar at a reasonable price. The competition of the mother country will be strong enough. It has no duties on raw sugars, which her merchants buy on the most favorable terms, with capital at 3 or 4 per cent. Labor is low, and they can get their freights from the West Indies and to Canada at a little more than we pay for freights from the West Indies to the Dominion. With this British competition, our manufacturers could not, if they desired to do so, take from the people of this country any undue profit. And, in this connection, let me say that the remark I made on one occasion, when reference was made to the increase in the price of sugar and tea, that I was pleased to know that, under our policy, the country was full of sugar, that Montreal and Halifax warehouses were well stocked, and that it was not only in the hands of Messrs. Redpath, but of merchants in the leading cities as well, who had this description of sugar brought in under this favoring tariff, which they were selling to their customers, and that instead of twenty million pounds,

they had three times that amount, and the profit went into the pockets of Canadians instead of the pockets of the people of the United States. I was ridiculed, and it was said that it was most extraordinary for the Finance Minister, or anyone else, to say the people were to be congratulated because the price had advanced. Mr. Speaker, it would have advanced without reference to the tariff arrangements, but we would not have had the profit. When visiting a warehouse in Hamilton, I said to the proprietor, "So the price of tea has greatly advanced," and he told me that it had. Under the system of the last two or three years, a large portion of the stock then in Canada would have been lying in Boston and New York, and in the hands of American traders there, while now the profits on the advance were in the pockets of Canadians. Is there anything wrong in congratulating Canadians on tariff arrangements which have given them the profits instead of giving it to the Americans? With reference to the farmer, if his sugar costs him no more, and the sugar which most of our people consume costs less; if the cottons furnished to them cost no more; if the woollen goods cost no more, what difference does it make to him? With reference to the cost of flour, I have a statement here as to the flour brought into the markets of New Brunswick during the past year. The writer says:—

"The accompanying statement gives the comparative cost in St. John, New Brunswick, of a brand of American flour and a brand of Canadian flour, the quality being equal:—

	Am. Flour.	Can. Flour.
January, 1879, 13th to 20th	\$6.00	\$5.70
February, "	6.05	5.75
March, "	6.05	5.75
April, "	6.10	5.85
May, "	6.10	5.85
June, "	6.10	5.85
July, "	6.10	6.10
August, "	6.10	6.10
September, "	6.50	6.30
October, "	7.75	7.20
November, "	7.75	7.20
December, "	7.75	7.20

The flour imported from the United States, and the quantity was limited, was strong bakers' flour, made from Minnesota wheat, a quality of wheat not grown in Canada, except in the North-West, and an inferior flour used for ships' bread. The quotations given are actual transactions, and show that the duty of 50c. per barrel has not materially increased the price to consumers.

SIR A. J. SMITH—Is this gentleman in favor of the duty?

SIR LEONARD TILLEY—I do not know whether he is in favor of the duty or not, but he is in favor of the policy, and he is one of the largest dealers in New Brunswick, and gives this as his experience of the result of the policy.

It being Six o'clock, the Speaker left the chair.

After Recess.

SIR LEONARD TILLEY—When addressing the House, before the separation at Six o'clock, I was anxious to place my hands upon some papers that I could not find at the time. I now have them before me, and, as the statement I made was without reference to the documents, perhaps the House will bear with me if I make reference to them now. In reference to the statements made by the hon. member for West Middlesex (Mr. Ross), I have here a table taken from the Trade and Navigation Returns for 1879, No. 8, page xxv., showing the rates of customs duties per head of the population, paid in each province and in the Dominion, from 1868 to 1879. I find by this that, in 1878, the amount per head in Ontario was \$2.90, while, in 1879, it was \$3.06, leaving a difference of 16 cents, instead of \$1.16, as stated by the hon. member for West Middlesex. In New Brunswick, the customs duty, in 1878, was \$5.07 per head, and, in 1879, \$3.67 per head, making the *per capita* for 1879 \$1.40 less than in 1878, instead of \$1.40 more, as stated by the member for West Middlesex.

MR. ROSS—The report of that speech, from which the hon. gentleman has quoted, is not correct. The *Hansard* report is not correct. I remember perfectly what I said. It is not so reported in the *Toronto Globe*, nor in any other report that I have seen. It is a mis-statement as to the difference between per head and per cent.

SIR LEONARD TILLEY—I looked at the *Toronto Globe* the next day, supposing that a speech delivered with such force and with such effect as that of the hon. member would have appeared in full; and I venture to say that no one was more congratulated by his political friends than he was in reference to that speech, and for the reason that he made reckless statements, of which I have given an example. I took down the remark at the time, and it was a question with me whether I would then refer to it, or wait until I had an opportunity of replying. When I looked in the *Globe* the next day, to my astonishment, I found the hon. gentleman, who was entitled to at least two or three columns, was favored with very little space. I could

not understand it, unless the explanation was that some of his colleagues had given the hint to the reporters that it would not do to publish the speech in full. I saw the *Hansard* report, and found that my impression of the speech was correct. The hon. gentleman said (*Hansard*, page 644) :—

"Let me give you a fact or two, which will illustrate the working of the tariff. The percentage which Ontario paid upon dutiable goods she consumed last year was increased by $2\frac{1}{2}$ per cent.; the Province of Quebec, $1\frac{1}{2}$ per cent.; Nova Scotia, $2\frac{1}{2}$ per cent.; New Brunswick, $3\frac{1}{2}$ per cent.; British Columbia, $2\frac{1}{2}$ per cent.; Prince Edward Island, 2 per cent. So unevenly does this tariff rest upon the various provinces that the customs duties paid by Ontario have increased by \$1.16 per head; those paid by Quebec only 27c. per head; New Brunswick, \$1.40 per head; British Columbia, \$1.80 per head; Prince Edward Island, 27c. per head."

I noticed the statement at the time, and, if my memory serves me, called attention to it across the floor of the House, and the leader of the Opposition called to the hon. gentleman, as if to say, "the Finance Minister wishes to speak to you," but I stopped. I thought it would be better to take it up afterwards. An error of that kind is very grave, and it is very important that these comparisons should be accurate and perfectly reliable. I did not find the remarks in the *Globe*, but I looked in the *Hansard*, and found that, after it had received the hon. gentleman's revision, it corresponded with my notes taken at the time. Therefore, I read from these returns to show that, instead of the amount being as stated by the hon. gentleman, it was very different. As far as New Brunswick was concerned, if there was anything in the argument of the hon. gentleman at all, the National Policy affects it beneficially. I do not claim that, but for peculiar circumstances in 1877-78, the large importation of goods to replace those destroyed by fire, made the revenue larger than usual, and the population larger, and the difference in the duty was \$1.40 between that year and 1878-79, but it was a decrease per head instead of an increase. I have here a telegram which was sent to me from the secretary of the Cotton Manufacturing Company, in St. Stephens, which I will read :—

"ST. STEPHENS, N.B., March 25th..

"Sir Leonard Tilley:

"Weldon's reference to St. Croix cotton factory excites great indignation here. Cotton mill enterprise progressing most favorably. Subscription list upward of \$30,000. Capitalists, regardless of politics, promise good additions. Town Council of Milltown vote to issue debentures for \$50,000 in aid. James Murchie, Judge Stevens, the Eatons, Boardmans, Charles F. Todd Chipman, and other leading men, all taking active part. The Committee wish this to be made as public as Weldon's statement.

"DAVID MAIN,

"Secretary to Committee."

Then I took the liberty of telegraphing to three gentleman connected with proposed new industries in New Brunswick, as my statements with refer-

ence to them were said by hon. gentlemen opposite to be all moonshine. I wrote to Mr. Stephens, of Moncton, Vice-President of the Lock factory there, and asked what the condition of that concern was, and here is what he said :—

"Machinery will be in and work commenced by the 20th April.

"H. T. STEVENS,
"Vice-President, Lock Company."

I then sent a telegram to Mr. Harris, a gentleman who has taken a deep interest in the establishment of the sugar refinery at Moncton, and a warm political and personal friend of the hon. member for Westmoreland (Sir Albert J. Smith). While I am upon this subject, I am reminded that one of the hon. gentlemen on the other side said it was no wonder a sugar refinery was being established at Moncton, because it was understood that the Company would have the Government at their back. Now, this was an implication, at least, that the Government were, either at the expense of the public or in some other way, offering help in that undertaking. I may say that the difficulty the Company had was with reference to the difference in the freight charged on the Intercolonial for raw and refined sugar. That railway, for the purpose of taking the business as far as possible between Halifax and Montreal, had placed a charge of something like 17 cents per 100 pounds upon raw sugar, being less than that on refined, and it was for the purpose of making the rates more equitable a reduction was made on the rates of refined sugar taken to the different parts of the Dominion from that refinery. Therefore, there was no concession made beyond what was granted to others, and what was reasonable, and no peculiar advantage was given to that industry. I sent a telegram to this firm, and here is what Mr. Harris says :—

"March 29th.

"Put in foundations for building; will commence bricklaying about the 1st of May. J. L. Harris in England purchasing plant. Will be in operation 1st September."

Then, with reference to the Nut and Bolt Company, here is Mr. Young's answer :

"Company have started four weeks since, and is incorporated. Half the stock taken up and directors appointed. Expect to commence building as soon as frost permits. Six months' orders ahead.

"LEVI H. YOUNG."

These telegrams give some evidence of something tangible and reliable, and is likely to produce a marked effect on the industries of that section of the Dominion under the operation of the National Policy. I now return to the point I was discussing of the cost to the consumer of the articles manufactured

in the Dominion of Canada. I have spoken of Canadian woollen goods and of flour. An hon. gentleman endeavored to show that the National Policy had really diminished rather than increased the difference of prices of wheat in Toronto and Chicago. It will be quite apparent to every hon. member that the imposition of 15c. duty per bushel on wheat could not decrease the difference between the prices in Toronto and Chicago; such a result could only be produced by exceptional causes. What were the facts of the case? The circumstances were of an exceptional nature, and they arose from two causes. There was for months a corner in the wheat market in Chicago, and parties were keeping the price up higher than it was in Canada, much higher, in fact, than they were warranted in holding it at even for the English market. Then there was another difficulty, and one that it would be exceedingly difficult for any Government to remedy. It is a fact that any tariff enactments we may make here will, to a certain extent, be interfered with by arrangements made by the railway companies for carrying freights between certain points in the Dominion, and from the Western States to points in the Dominion. The low freights that existed for a long time last year between New York and Chicago, had a great deal to do with keeping up the prices in Chicago, as compared with those in Toronto, because there were times when you could carry from Chicago to New York freight as low as you could carry the same quantity of wheat between Toronto and Montreal. It is under these circumstances possible that a repetition of such a state of things as existed during the last four months may occur. The whole thing has, however, entirely changed recently; this corner has been broken up, and prices have gone down, and the difference now is three or four times as great as it was. Now, I do not hear hon. gentlemen rising on our side of the House and exclaiming that the imposition of this duty has made the difference, nor do I hear hon. gentlemen on the other side of the House calling attention to the great difference, and giving us credit for that change. Now, let us go a little further with respect to prices. I recollect visiting a most interesting establishment for the manufacture of leather, opposite the city of Fredericton, in New Brunswick. This company has not a large capital, it is true; they could do more if they had more capital. They manufacture a particular kind of leather, for the lining of carriages and railway passenger cars. Since the establishment of that factory, that description of leather has been sold for from 20 to 25 per cent. less than it could be bought in the city of Boston. Now, we come to another important industry that has been referred to by hon. gentlemen opposite, that of agricultural implements. That is an important industry in this country, and gives employment to immense numbers of men. Under the present tariff, they have nearly the

whole of the market of the Dominion of Canada. With reference to Manitoba, I think that during the first six months of this year, only \$3,000 duty was collected on mowers and reapers imported from the United States, as against \$70,000 in the same period of the year before. That industry has so developed that the manufacturers now control nearly the whole of the home market. They are, however, asking for the free admission of a description of iron not made in the country. They also ask that the regulations of the Customs Department should be so construed as to put on the free list certain kinds of steel for use in that manufacture. There was a question as to whether that description of steel was subject to duty or not. The Government felt disposed to make every reasonable concession in that, respect, and gave them the benefit of that. But what do they represent to the Government? One gentleman brought me a memorandum showing that under our tariff, they would have to pay \$6,000 a year more of duty on the iron and other materials that they imported than they had paid the year before. The question was asked, can you not increase your prices, and they answered that they could not. I visited one establishment where the proprietor told me that in 1878 they turned out 1,800 mowers and reapers, last year 2,500, and this year they are manufacturing 4,000. They pay into the revenue on the material which is used more than they paid under the old tariff; the mowers and reapers cost no more to the farmers who require them, and the men who manufacture them make a larger profit on the increased number they are producing, and an increased number of men receive employment in their manufacture. Why, some of these gentlemen ask for an increase in the present tariff, in order to exclude from Manitoba American machines, and I, for one, would have no hesitation in recommending to my colleagues an increase in the duty, so that the tariff might prevent importation from abroad, if the present tariff should not be found to do so, in order that they should have the entire home market, as they are producing articles at such a moderate price. Now, we will come to the nail industry. It was stated in my own Province and in Quebec that an increase of the duty from 5 to 17½ per cent. on the iron would compel the manufacturers to raise their prices, but I found that in those provinces they were selling nails for less than they could be bought in Boston.

MR. MACKENZIE—What has Boston to do with it?

SIR LEONARD TILLEY--That is where the sharpest competition is. They manufacture a larger amount of nails, the consumer pays very little more for them than formerly, we get a duty on the raw material, and they make profits on the increased manufactures. There is an illustration of how

our industries really are benefitted and the treasury not injured, because we get in return a considerable increase on the raw material and duty on goods consumed by the operatives as an equivalent for what we lose on the articles that were previously imported. The hon. member for Westmoreland (Sir Albert J. Smith) asked me in reference to the flour duty; he said: is the gentleman who wrote that letter in favor of the duty? I answered that he was, and, from his manner of putting the question, I inferred the hon. gentleman placed less importance on his testimony on that account. On this point I will give the testimony of a gentleman who is well known to be a most determined opponent of the National Policy. That gentleman resides in the Province of New Brunswick, and publishes a paper there, the leading organ of the hon. gentlemen opposite. I will quote from that paper with reference to the furniture manufacture, upon which, they say, the duty has been doubled. I will read you a very inconsistent article, after this declaration, that the manufacturer can sell cheaper than the same furniture can be bought in the United States. Now, when running the late election in St. John, a message came to me from one of the gentlemen referred to in this article. He was a large commission merchant and importer of furniture from the United States. He had been a life-long supporter of mine. The message was to this effect: "Mr. So-and-so has supported you ever since you entered public life; he is anxious to do so still, but he requires one promise from you. I said, what is that promise? He answered, unless you promise not to increase the duty on American furniture, an article in which he was dealing, he cannot support you. I said I would be sorry to lose his support, because he had stood by me through evil and good report, but I could not give that promise. When the hon. member for Lambton (Mr. Mackenzie) was scolding the House the other night, he gave me a passing notice, and said that I had made statements in St. John that were not consistent with the policy we had introduced to this House. I stated distinctly the policy I advocated was a readjustment of the tariff in such a way as to give protection to just such industries as this, and that being part of the National Policy, I declined to give any promise of the kind, because I felt it was one of the industries that required and would receive protection from Parliament. More than that, if I erred at all in my calculations or in my statements, when I stated it was a readjustment of the tariff and not an increase of taxation we had in view, it was because I believed in the correctness of the Estimates of the late Finance Minister, which turned out to be for customs and Excise \$2,500,000 over and above what would have been received if there had been no change in the tariff. Therefore, if the receipts had been \$13,750,000 for the one, and \$5,250,000 for the other, making \$19,000,000

in all, that would have been sufficient for this Government, without necessitating a resort to additional taxation. But, when we were face to face with this deficiency, it became necessary not only to readjust the tariff for the purposes which we declared and which we advocated, but in order to get an increased revenue, so that our expenditure might not exceed our revenue. I will read from the article referred to from the *St. John Telegraph*. Mr. Elder is the editor, a gentleman of great energy and ability, and a most determined advocate of free trade and an opponent of the National Policy. He says:—

"MESSRS. STEWART & WHITE'S ESTABLISHMENT—Messrs. Stewart & White, who gained such a reputation prior to the National Policy, by their importation of splendid furniture from abroad, have now in their fine ware-rooms on Charlotte street, probably the finest display of parlor and bedroom furniture ever seen in St. John. Much of this has been made by their own workmen, and most of the remainder has been upholstered here. The display comprises magnificent sets of the various celebrated styles, upholstered in gorgeous silks and plush, and handsome sets equally beautiful and highly finished.

"The National Policy forced Messrs. Stewart & White to abandon the importation of furniture, doubling, as it did, the duty. They saw that if they were to remain in the furniture business, they must do so as manufacturers. Their experience as such in this line has proved that the enormous duty of 35 per cent. was wholly unnecessary, and that the Canadian manufacturer without it could compete on even terms with the best makers of New York and Boston."

How contradictory. They could not compete with them before, but, under this tariff, they have abandoned importing, and turned to manufacturing themselves. He summed up as follows:—

"One of their workmen is now making a bedroom set which will be shown at the exhibition, although it will be completed much earlier, which will challenge comparison with any \$1,000 set made by the most celebrated manufacturers in Boston, although they will be able to produce it for about half the Boston price. Persons desiring elegant and beautiful furniture need not go abroad for it, for they can buy it as cheaply in St. John as they can in New York, and save 35 per cent. duty besides."

Now, there is a declaration from an authority who is an out-and-out supporter of free trade. That ought to be considered as valuable testimony by our friends opposite.

MR. GUTHRIE—Is not that an advertisement? Is it not a paid business notice?

SIR LEONARD TILLEY—No, it is not an advertisement. I will tell you what I have observed. You may take up local articles in any of the Grit papers giving an account of what is taking place in Toronto, Hamilton,

Montreal, or elsewhere, pointing out the great impetus given to the industries of the country, and you will find editorials contradicting, and making statements directly opposite to the local reports. Then my hon. friend says, in connection with the editorial I have read, that the editor was paid for it. I do not think my hon. friend, the editor of that paper, will thank my hon. friend opposite for the supposition that he was paid to make this statement.

MR. MACKENZIE—An editor is not bought because he takes pay for advertisements.

SIR LEONARD TILLEY—Here is a distinct statement, and no doubt true, that furniture can be bought in the city of St. John to-day of that description as cheap as can be bought in New York or Boston, which is a saving of 35 per cent., or $17\frac{1}{2}$ on the old tariff.

MR. ANGLIN—That is not true.

SIR LEONARD TILLEY—Well, I venture to say that there is a great deal of furniture that can be so bought; there may be some few special kinds that cannot, but there is no question about a large portion being required for common use. I might occupy the attention of the House for a longer time in giving the result of my visits to London, to Brantford, to Berlin, &c. I was greatly surprised to find in Berlin a very important industry, employing 250 people, making buttons, and the gentleman who was in charge of one of the manufactures said the number would be increased by fifty or seventy this year. In that town alone there are three establishments for the manufacture of buttons.

AN HON. GENTLEMAN—How long have they been established?

SIR LEONARD TILLEY—They may have been established for years, but have been in a declining condition for some time past, but new energy has been given to them by the operation of the tariff. The number of persons employed in them has been increased or doubled in many cases. The hon. gentleman maintained that, because these manufactures were established in 1872 or 1873, no credit is due to the National Policy for an increased prosperity. I will not occupy the time of the House by relating my experience in Hamilton, one of the largest and most important manufacturing centres in the Dominion; in St. Catharines, where there are two large flour mills, grinding about 400 barrels of flour each, per day. The gentlemen owning these mills are politically opposed to us, and one of them said to me, that times have not been so prosperous with them for the past four years as they

have been lately. I accompanied them to see the capacity of their mills, and to ascertain the extent of their operations, and I found that they were in a very flourishing and satisfactory condition. Then, in Dundas, we found cotton mills in a most flourishing condition; we found that the tool factory was in a good condition. In the oatmeal mill we found them grinding for the home market, and also doing a large quantity of work for the export trade. Though I did not visit the St. John market, as suggested by the member for Queen's, I met with gentlemen representing the agricultural interest in various parts of the Dominion, and I may say that, notwithstanding all that has been said to dissatisfy the farmers and make them believe that their tea is taxed more than formerly; that their sugar costs more than formerly, under the new tariff; that all the articles they purchase, such as cotton and woollen goods, cost more, and that they themselves get no benefit whatever, let me say this: they appeared satisfied. I met a gentleman in Toronto, engaged in the grain trade. He was on the other side of politics. He admitted that he had an increased demand for Canadian oats, for a portion of the Dominion, formerly supplied from the United States, and he said, "We are now supplying Canadian oats, and Canadian oats alone." He also said, speaking for the farmer, whatever else the National Policy may have done, it has benefitted him. I was a little surprised to hear the statement made that, because our harvest had been a magnificent one during the past year, and because the farmers had been directing their attention to the fattening of cattle for the English market, and thus causing an increase of exports, it was argued that the home market for the farmer had not been increased. We know there is no way in which the farmer would be more directly benefitted than by the increase of the home market, which must necessarily be improved for farm products, by the development of the manufacturing industries of the country. The hon. gentleman (Mr. Sproule) made a speech in which he called attention especially to agricultural products. His arguments have not been answered. He showed, step by step, the increase which had taken place in the price of agricultural produce, and the great benefit the farmers of the Dominion derived from the operation of the tariff, and, with the home market for perishable articles, was largely increased. Then, my hon. friend the leader of the Opposition, or some other hon. member, read from my speech, and criticised my reference to the fact that this year our exports are likely to equal our imports. He also read from my speech in which I pointed out, in 1873, that our imports were considerably in excess of our exports. He read a statement by which I undertook to show that, from the freights we receive from our ships and from various other sources, we would make up, to a considerable extent, the difference between the exports and

imports, and prevent another financial crisis. I recollect the hon. gentleman, on Thursday, commented on that statement, and said it was absurd to make any reference as between the imports of Canada and those of the United States. The hon. gentleman said that diminished imports meant poverty.

Mr. MACKENZIE—I did not say so. I said they might mean poverty, and they often did.

SIR LEONARD TILLEY—Well, I am glad the hon. gentleman qualified it. Largely diminished consumption would indicate the poverty of a country, but not largely diminished imports. How is it with the United States? Their imports have diminished year by year, until, for the last three years, the exports exceeded the imports by \$250,000,000 a year. That country was not impoverished by that. The people consumed as largely as ever, but she consumed her own manufactures. If she was not consuming as usual, it would be an indication of the poverty of the people. When the hon. gentlemen opposite are speaking about the terribly destructive character of the National Policy, they point to the haven to which all our people are going. They point to that country that has, so long since, adopted this policy in the interest of their own country—a policy that is leading our people away—a policy that is making that country, at the present moment, more prosperous than it has been for many many years. I would ask hon. gentlemen, when they are referring to this matter, what would have been our position in the Dominion of Canada if we had not adopted a policy that has enabled us to give employment to our industrial classes? They would have had to go abroad for the purpose of seeking employment. It is stated that 23,000 persons have passed over to the United States from Sarnia, but we all know that a large portion of them belong to the United States. But admitting, for argument's sake, all that has been said by my hon. friend opposite, we would have had an emigration much larger than we have had, had it not been for the adoption for this policy.

AN HON. MEMBER—Hear, hear.

SIR LEONARD TILLEY—The hon. gentleman says hear, hear. My hon. friend opposite said I had made a vituperative speech. I do not know that the speech I made on the 9th March or the speech I have made to-night contain any vituperative remarks. Perhaps I would have wounded the feelings of hon. gentlemen opposite if I had referred to what I consider the

vituperative course of certain parties in the Dominion in decrying the country, in running it down and injuring its credit, but I do say this that, under existing circumstances, without giving the National Policy credit for it, it would have been much more gratifying if the hon. gentlemen had taken the course taken by some of their papers three or four months ago and have admitted that the country is more prosperous than it was, but that the National Policy was not the cause of it. Every unprejudiced man must admit that the country is in a more prosperous and hopeful condition, and I think it would have been more patriotic and more in the interest of the country to have admitted that fact. Many hon. gentlemen in this House communicated with me last session before we submitted the resolutions in reference to the tariff, and will probably remember that, in the conversation that I had with them, I said that the next session of Parliament will be the session upon which this policy will be more especially put upon its trial than any other, because we had had depression before for five years. Everything had been going down for five years. You cannot immediately stop a locomotive, after running four or five miles on a down grade; though you put on the brakes, it takes some little time to bring it up; so with this matter. Many manufactories have been closed, and it could not be expected that the full effect of the policy would be felt within eight or nine months, and I urged upon our friends not to be too sanguine as to its immediate results. My expectations have been more than realized. My expectation would have been more than fulfilled even if we had not been able to present half the facts that we have presented during the consideration of the amended tariff, and, instead of having any want of faith, that faith is stronger to-day than when I submitted the proposition on the 10th of March, because there has not been an argument advanced by hon. gentlemen opposite that has not been fairly met, and not a single statement put forward by them that has not been completely demolished. There were two or three things I referred to in my speech—two especially—one with reference to the loan. The late Finance Minister said it was a pretty good loan. The loan he made in 1876 was nearly as good. He went on to depreciate it, although admitting it to be a good loan. But the hon. gentleman in his statement, and it was done intentionally, no doubt to place me, if it was possible to do so, in a false position before the people of this country, said that, when I visited England to negotiate a loan, Sir A. T. Galt was there at the same time. I may say that, when I was in England negotiating the last loan, he (Sir A. T. Galt) was on this side of the Atlantic. It was said when I was at Washington negotiating any business Sir Alexander Galt was there also. He was not there with me. But I feel it an honor to have it supposed that any business transacted by me, or any

proposition submitted by me, was so conducted and of such a character as to entitle it to the supposition that it emanated from so able a statesman as Sir Alexander Galt. I will say no more upon the subject at present; but there is another matter that I refer to with great satisfaction. It was said that the policy, when proposed, was less favorable to Great Britain than to the United States, and that, therefore, it was an unwise policy, Oh! what a wonderful change since this time twelve months, when they imagined that it was against England and in favor of the United States. Now, when the result proves it to be favorable to Great Britain as compared with the United States, their tune has changed. But I have produced evidence, which has not been gainsaid, that the duty on the whole of the goods imported from Great Britain was only increased about 1 per cent., and 3 per cent. on the whole imports from the United States. As I am about drawing my remarks to a close, I will just refer to the reference that has been made to the evidence of public sentiment against the National Policy. It has been stated that we had some such evidence in the elections that have taken place. Has there been any given by a single election for a member of this Parliament for any change of opinion, on this point, since the 17th of September, 1878? It has been said, over and over again, that the Ontario elections were evidence that the National Policy had lost its hold on the people of that Province.

SOME HON. MEMBER—So they are.

SIR LEONARD TILLEY—Well, Sir, I am not a resident of Ontario. I happened to visit—

SOME HON. MEMBER—It was a pleasant visit?

SIR LEONARD TILLEY—It was a pleasant visit. But no one could go into Ontario, previous to these elections, and come to any other conclusion but that the National Policy, of all other policies, was the most popular. What is the fact? Down to within two days of the elections, the leading organ of the party, the supporters of Mr. Mowat's Administration, the leading men of that party deprecated the idea of making the National Policy an issue.

MR. MACKENZIE—Why did you do it, then?

SIR LEONARD TILLEY—Why did we do it? Because our friends saw that Mr. Mowat's friends were in the majority, unless they were divided by the National Policy. Mr. Mowat's friends said, "We have been beaten

on that in Ontario in the Dominion elections. Let us abandon that altogether, and keep to our own party lines, and we will succeed ; but if not, we will be beaten."

MR. MACKENZIE—What did you do ?

SIR LEONARD TILLEY—The Liberal Conservatives knew the National Policy was popular, and, as they were in a minority, they naturally tried to make it the issue, because it was popular, and would give our friends the only chance of success.

MR. MACKENZIE—As far as you could, you made it the issue.

SIR LEONARD TILLEY—But the Liberals would not have it ; and, therefore, the Ontario elections are no evidence whatever of the unpopularity of the National Policy. Let us see. There has been another evidence given of the unpopularity of the National Policy in the Dominion of Canada. The people of England have declared against the foreign policy of the Beaconsfield Administration. That is given as an evidence of the unpopularity of the tariff, because, as was said by the hon. member for West Durham, it is evidence of *a good time coming!* Why? Because the Liberal party in England had succeeded in obtaining a majority against the foreign policy of Lord Beaconsfield. But there is *a good time coming.* It has been said "the Opposition are greatly elated." "Why?" it was asked. "Why, it is understood that there was some arrangement between the present leader of our Government and Lord Beaconsfield in reference to the settlement and development of the North-West. But members of the Opposition say that is all upset now." Now, Sir, you would suppose that any change which would deprive us of the alleged expected assistance would have been the subject of regret and not of rejoicing. A good time coming! I believe, Sir, there is a good time coming. I believe that the policy of this Government has inaugurated a good time with reference to the encouragement of the industries of this country, giving a home market to our farmers for their produce, giving business for everybody, and filling up the vast territory in the North-West in preparation for the millions that will populate it in the future. This is the good time coming. And I do not hesitate to say, Sir, that, when we meet in Parliament next session, we will have fully entered upon the good time coming, the success of our policy will be assured, and the prosperity of the country will be so manifest that its strongest opponents will have to admit and appreciate its value. Yes, Sir, there is a good time coming, and in faith of that good time coming, I desire to submit the resolutions I have already placed before you.